Partnership Agreement between
denmark and the European Commission
concerning the European Structural and Investment Funds,
2014–2020

The European Maritime and Fisheries Fund (EMFF)
The European Agricultural Fund for Rural Development (EAFRD)
The European Social Fund (ESF)
The European Regional Development Fund (ERDF)

28 February 2014

Disclaimer:
The description of the action under the EMFF is preliminary, as the regulation laying down
the conditions for financial support for maritime and fisheries policy during the period
2014–2020 and the national EU framework is unknown. In addition, the national policy
prioritisation of the action under the forthcoming fisheries development programme remains
unsettled, and it is therefore not yet possible to reflect this. The Partnership Agreement will
be brought up to date once the regulation concerned has been adopted and proposals for the
fisheries development programme for 2014–2020 can be finalised.
INTRODUCTION
This Partnership Agreement concerning the four European Structural and Investment Funds (ESI Funds or ESIF) in Denmark was prepared in accordance with Articles 14 and 15 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (CPR).

The Partnership Agreement describes how Denmark will use the European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Maritime and Fisheries Fund (EMFF) and the European Agricultural Fund for Rural Development (EAFRD) to promote business development and employment throughout Denmark and promote development in the agriculture, fishery and aquaculture sectors in the period 2014–2020.

In its position paper for Denmark, the European Commission specifies that the combined ESIF actions in 2014–2020 will benefit from falling within the following areas:

- enhancing productivity and competitiveness through innovation and business development (thematic objectives 1 and 3);
- enhancing the labour supply through inclusion, skills adaptation and educational measures (thematic objectives 8, 9 and 10);
- enhancing efforts on environmental protection as well as mitigation and adaptation to climate change (thematic objectives 4 and 6).

The funds must help to realise the Europe 2020 Strategy and address national and regional challenges. The actions outlined complement Growth Plan for Denmark, the Danish Government’s growth plans for areas in which the Danish business community is internationally competitive, Denmark’s innovation strategy and the Green Conversion Package. In addition there is the Collaboration Strategy for Denmark’s cluster and network actions, which is the result of collaboration between several Danish ministries and regional growth forums.

In accordance with the recommendations of the European Commission, the most significant challenges to growth are outlined in the following, which includes the most significant challenges to the agriculture, fishery and aquaculture sectors. This will also include a description of measures already implemented by Denmark to counter these challenges. After this, the relevant thematic objectives are identified and the actions eligible for support by the four ESI Funds are described, including the results that are expected to be created with the resources. Finally, a number of measures associated with the practical implementation of the funds are described.
Section 1 A. Arrangements to ensure alignment with the Europe 2020 Strategy of smart, sustainable and inclusive growth and the fund-specific missions pursuant to on their treaty-based objectives, including economic, social and territorial cohesion (Article 15(1)(A) CPR).

1.1 An analysis of disparities, development needs and growth potentials with reference to the thematic objectives and the territorial challenges and taking account of the national reform programme, where appropriate, and relevant country-specific recommendations adopted in accordance with Article 121(2) of the Treaty on the Functioning of the European Union and relevant Council recommendations adopted in accordance with Article 148(4) of the Treaty on the Functioning of the European Union

1.1.1 Denmark’s growth challenge

Denmark’s ESIF programmes in the 2014–2020 period must contribute to fulfilling the Europe 2020 Strategy which deals with increasing economic growth in Europe through 1) smart growth (investment in education, research, innovation and ICT); 2) sustainable growth (more resource-efficient and greener economy); and 3) inclusive growth (high employment, as well as financial, geographical and social cohesion).

In close association with the Europe 2020 Strategy, the National Reform Programme for Denmark sets out five overarching objectives concerning employment, innovation, education, poverty reduction and climate/energy. The EU objectives are converted into country-specific objectives, including five objectives for Denmark:

<table>
<thead>
<tr>
<th>The national targets</th>
<th>Target in 2020</th>
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<tbody>
<tr>
<td>The national target for employment</td>
<td>80 per cent structural employment rate</td>
</tr>
<tr>
<td>The national target for R&amp;D</td>
<td>3 per cent of GDP</td>
</tr>
<tr>
<td>The national target for climate and energy</td>
<td>Increase in the energy consumption stemming from renewable sources to 30 per cent by 2020 and use of renewable energy in the transport sector of 10 per cent by 2020. Gradual reduction of emissions in non-ETS sectors in 2013-20 of up to 20 per cent by 2020 relative to 2005.</td>
</tr>
<tr>
<td>The national target for education</td>
<td>Less than 10 per cent school dropout rates of the population aged 18-24 and at least 40 per cent of the population aged 30-34 having completed tertiary or equivalent education.</td>
</tr>
<tr>
<td>The national target for social inclusion</td>
<td>Reduce the number of people in households with low work intensity by 22,000 towards 2030.</td>
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</table>
Denmark is keenly focused on strengthening growth, productivity and job creation. With the Growth Plan for Denmark, the Danish Government has set a reform agenda aimed at strengthening the general conditions for growth.

**Proactive business and growth policy**

The Danish Government’s proactive business and growth policy will improve the conditions for private enterprise and thus enhance competitiveness, to provide new opportunities for increasing productivity and growth and creating new jobs through the following:

- improving the general conditions for growth;
- removing barriers to growth so that enterprises can efficiently and competitively exploit market potentials;
- developing markets through public–private interaction and thus disseminating new technologies and solutions, including in relation to global societal challenges.

With the Growth Plan for Denmark, the Danish Government has laid out three reform tracks aimed at boosting GDP leading up to 2020. The objective is to increase investment in Danish enterprises and create a greater number of private-sector jobs. The three reform tracks:

- reforms to improve conditions for private-sector enterprises;
- reforms to increase the level of education and rate of employment;
- reforms of the public sector and tenable public finances.

The Danish Government has presented growth plans in seven business areas to strengthen the conditions for growth in areas where the Danish business community is internationally competitive: Maritime Denmark; Creative Businesses and Design; Water, Bio and Environmental Solutions; Health and Welfare Solutions; Energy and Climate; Foodstuffs; and Tourism and the Experience Economy. An eighth growth plan, for ICT and digitised growth, is expected to be presented in the first half of 2014.

The key Danish initiatives for growth and employment are also listed in the National Reform Programme for 2013. Based on the National Reform Programme for 2013, the European Commission has drawn up a series of country-specific recommendations that must also be observed for the implementation of the ESI Funds:

1. Implement the budget strategy in 2013 as planned to ensure correction of the disproportionately large deficit no later than in 2013. In addition, implement the budget strategy for 2014 onwards with a view to ensuring a suitable financial policy intervention to maintain the intermediate objective.

2. Take additional steps towards improving the employability of individuals on the periphery of the labour market, including individuals with an immigrant background, the long-term unemployed and wage earners with a low level of qualifications. Improve the quality of vocational training for the

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purpose of reducing the early school leaving rate and increasing the number of traineeships/apprenticeships. Implement a reform of the primary and lower secondary school system to raise the level of education and improve the cost-effectiveness of the educational system.

3. Continue the action to remove barriers to competition, including in the retail trade and the construction industry, and increase the efficiency of public services.

In relation to the country-specific recommendations, the immediate assessment is that the ESI measures will primarily be able to help to realise the recommendations under point 2. In addition, the ESI Funds are also expected to be able to help to increase productivity and the labour supply throughout Denmark, and also to help promote the development of agriculture, fishery and aquaculture.

Initially, Denmark’s growth challenges relating to the Europe 2020 Strategy are outlined by comparing Denmark to other countries; also drawing in the country-specific recommendations. The challenges for the agriculture, fishery and aquaculture sectors are also described.

The regional differences of particular significance in relation to the ERDF and the ESF will be described in more detail in the operational programmes; therefore, they are only referred to in a few instances in the Partnership Agreement. Generally speaking, the national challenges recur in all regions with regional nuances due to differences in the business structure.

1.1.2. Prosperity, productivity and labour supply

Prosperity
Prosperity is normally measured by per capita gross domestic product (GDP). Since the mid-1990s, Denmark’s per capita GDP growth has been low compared to most other OECD countries. Only Italy and Portugal saw lower economic growth than Denmark in the 2001–2011 period (see Figure 1).

Figure 1. Average annual growth of national per capita GDP, 2001–2011

Note: GDP is measured in fixed prices. The OECD average is a simple average of the growth rates in 33 OECD countries.
Source: OECD.stat.
Denmark still enjoys a relatively high standard of living; in 2011 only eight other OECD countries (exclusive of Luxembourg) had a higher per capita GDP (adjusted for spending power) than Denmark. Growth in Denmark was relatively low, however, even before the onset of the financial crisis in 2008, and the crisis hit Denmark relatively hard at the same time. From the peak of the economic boom in 2008 to the low point in 2009, Denmark’s GDP fell by more than 8%, whereas the GDP in the euro zone and the US fell by “only” about 5%. Denmark’s per capita GDP grew in 2010 and 2011, but declined again in 2012. At the end of 2011, GDP was still about 5.5% below the pre-crisis level. In the euro area, the level at the end of 2011 was only about 2.5% below the pre-crisis level.

This low economic growth – also before the crisis – caused Denmark to lose ground in relation to most other OECD countries. If Denmark continues this low growth rate, our prosperity will lag further behind the most affluent countries, and it will be difficult to retain our position among the most affluent countries in the world and thus retain the basis for our welfare services.

Productivity

By definition, a country’s standard of living (per capita GDP) depends on how much the population works (the number of working hours) and the amount of value created per working hour (productivity). Productivity is particularly important because, in the long term, economic growth depends on productivity growth. Improving productivity is thus the predominant explanation of the prosperity improvement which OECD countries have been experiencing for decades.

Denmark’s productivity growth has been weak since the mid-1990s. The slowdown of productivity growth since the mid-1990s compared to the preceding two decades is not a unique Danish phenomenon, as the same trend has occurred in many other west European countries. The slowdown has been extraordinarily pronounced in Denmark, however. Average productivity grew by only 0.7% p.a. in Denmark in 2001–2011, which is one of the lowest growth rates in the OECD (see Figure 2). The low productivity growth is the primary explanation of Denmark’s experience of low per capita GDP growth compared with the vast majority of other OECD countries, cf. the preceding paragraph. Boosting productivity growth is a major challenge for every region of Denmark.

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3 In this context, the euro area and the US are subareas of the OECD.
5 Denmark’s prosperity can be increased by improving its terms of trade, i.e. if export prices rise faster than import prices. In fact, improvements to the terms of trade have contributed positively to Denmark’s prosperity for years, but it is not realistic in the long term to create lasting prosperity increases by improving the terms of trade.
6 Produktivitetsudviklingen i Danmark [Productivity in Denmark], Quarterly Overview, Q1 2012, Nationalbanken.
7 See Section 1 of the ERDF and ESF programmes respectively.
There is no clear explanation of why Denmark’s productivity has grown more slowly since the mid-1990s compared with that of other countries. Therefore, the Danish Government has set up a Productivity Commission comprising impartial experts with unique expertise in this area to analyse Denmark’s productivity trends and provide specific recommendations for strengthening productivity in Denmark’s private and public sectors in the years ahead.

The Productivity Commission is tasked with basing its work on existing knowledge and supplementing this with new analyses. Existing analyses have shown, inter alia, that productivity growth differs greatly from one sector to another. In particular, Denmark’s construction industry and a number of service sectors have seen very low and in some cases negative productivity growth since the mid-1990s.

The European Commission also indicates in the 2013 European Semester analysis that the challenges identified in July 2012 and which are reflected in the annual growth study are still valid. In the short term, the biggest challenge is to stimulate economic growth by boosting productivity and competitiveness, improving the utilisation of the labour potential and further stabilising the financial system. Higher quality and efficiency in the educational system will support innovation and human capital, which will improve prospects in the intermediate and long term.

Labour supply

Denmark’s prosperity depends not only on productivity but also on how much we work. The total labour supply in Denmark – measured by the annual number of working hours per capita (individuals of working age aged 15–64) – is slightly below the OECD average but significantly below the leading countries (see Figure 3).

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Note: GDP (fixed prices) per working hour. The OECD average is a simple average of the growth rates in 33 OECD countries.
Source: OECD.stat.

8 Produktivitetsudviklingen i Danmark [Productivity Trends in Denmark], Quarterly Overview, Q1 2012, Nationalbanken.
The total labour supply reflects the percentage of the population (individuals aged 15–64) available for the labour market (participation rate) and the number of hours worked by those employed. Figure 3 shows that Denmark’s participation rate is relatively high, but that conversely employees’ working hours are among the lowest in the OECD area.

Figure 3. Total national labour supply, participation rate and working hours per employed person, 2012


The participation rate of individuals aged 16–29 has significantly declined in recent years, which should be seen in the light of the positive tendency for an increasing number of young people to be enrolled in an education/training programme.10

The participation rate of individuals aged 60–64 has increased in recent years, by contrast with the other age categories. The participation rate of this age category is still significantly below the other age categories, however.

Reforms have been implemented in recent years to strikingly boost the labour supply and employment. Leading up to 2020, it is estimated that this demographic trend will by itself reduce employment, equivalent to almost 24,000 people, including the contribution from working hours. The Retirement Agreement from 2011 moves forward the increases in the retirement and early retirement age from the Welfare Agreement, and shortens the early retirement period from five to

10 Redegørelse om vækst og konkurrenceevne 2013 [Report on Growth and Competitiveness, 2012], the Danish Government.
three years. The Retirement Agreement will boost the labour supply by around 65,000 individuals in 2020. The reform of early retirement and flexi-jobs, the taxation agreement from 2012 and the reforms of cash benefits and the state education grant and loan system counteract the demographically conditioned decline in the labour force so that the share of the employed segment of the population is expected to increase leading up to 2020.11

1.1.3. Employment and social inclusion

One objective of the Europe 2020 Strategy is that the employment rate, i.e. the percentage of employed individuals aged 20–64, must be at least 75% in the EU 27 by 2020. When converting the EU 27 target for Denmark – which has traditionally had a relatively high employment rate, the national (structural) employment rate should be at least 80%.12

As a result of the financial crisis, the employment rate in Denmark declined from almost 80% in 2008 to just over 75% in 2012 (most recent year with Eurostat statistics, see Figure 4). This shows that Denmark is coping far better than the EU 27, but is somewhat below the national 80% target. The employment rate is roughly 10 percentage points above the EU 27 average (2012). The employment rate for non-EU citizens (54.5% in 2012) is somewhat lower than the overall employment rate (75.4%) and is also lower than the EU average. In addition, persons with disabilities have a significantly lower employment rate than persons without disabilities.13

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11 Det Nationale Reformprogram [National Reform Programme], Denmark 2013, the Danish Government, April 2013.
12 Denmark’s National Reform Programme for 2013. Denmark shares the 80% target – the highest in the European Union – with the Netherlands and Sweden.
Denmark’s unemployment rate for both men and women is relatively low compared with the EU 27 (see Figure 5). The same is true of young people aged 15–24, and for the long-term unemployed. There are only minor differences between the unemployment rates of men and women.

### Challenges in the European labour market

One of the key targets of the Europe 2020 Strategy to be met no later than 2020 is that 75% of individuals aged 20–64 should be employed. To achieve this, EU employment must grow by adding 17.6 million new jobs compared to the current level. However, during the financial crisis, the employment rate declined to 68.9% (Q3 2011). In spite of this situation, a number of Member States are experiencing a shortage of labour in certain sectors and encountering a number of challenges to effectively matching jobs to qualifications.

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15 This is one reason for the establishment of the EURES instrument.
There are examples of widespread unemployment in declining sectors existing side by side with growth and new demand for labour in highly productive industries and within knowledge services. In addition, some Member States have noted high unemployment among individuals with tertiary education, e.g. engineers, doctors and IT specialists, but there is a shortage of these same qualifications in other member states. In addition, the future perspective for the EU on the whole is a shrinking workforce due to demographic trends, combined with a striking shift to a demand for highly qualified labour.

One of the responses to these challenges is to improve mobility within the European labour market. Currently, only 2.9% of the European workforce lives in a different country, defined as living in a country other than where one is a citizen. Higher mobility within the EU is expected to contribute to reducing bottleneck problems and generally supporting better utilisation of the combined European workforce.

Denmark is one of the Member States whose enterprises have difficulty finding qualified labour in sectors of great importance for growth potential. This is particularly true within the engineering, biotech- pharmaceutical and IT sectors. Highly specialised, experienced labour is predominantly in demand within these sectors.

**Social inclusion**

The Europe 2020 Strategy includes a target of helping 20 million people in the EU out of poverty or social exclusion. For Denmark, this target has been converted into a national target of reducing the number of individuals in low-employment households by 22,000 leading up to 2020.\(^\text{16}\) Although Denmark continues to have one of the lowest inequality rates in Europe with the lowest risk of poverty, there is still a need to increase social inclusion, and thus the labour supply.

The specification method is found in the 2011 National Reform Programme, where a total of 347,100 individuals lived in households with low employment (see Figure 6). The 347,100 individuals covered by the social inclusion objective include several different groups facing different challenges.

\(^{16}\) Det Nationale Reformprogram [National Reform Programme], Denmark 2013, the Danish Government, April 2013.


**Figure 6. Social inclusion**

**Persons in households with low employment broken down by benefit-recipient category, 2008**

<table>
<thead>
<tr>
<th>Category</th>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability pension</td>
<td>84,000</td>
<td>24</td>
</tr>
<tr>
<td>State education grant and loan scheme</td>
<td>82,000</td>
<td>24</td>
</tr>
<tr>
<td>Cash benefits, sickness benefits, union unemployment benefits, non-union unemployment benefits</td>
<td>62,400</td>
<td>18</td>
</tr>
<tr>
<td>Rehabilitation, flexi-jobs, light jobs and wage subsidy</td>
<td>15,500</td>
<td>4</td>
</tr>
<tr>
<td>Maternity benefits and other benefits</td>
<td>4,500</td>
<td>1</td>
</tr>
<tr>
<td>No benefits (self-supporting)</td>
<td>46,600</td>
<td>13</td>
</tr>
<tr>
<td>Children</td>
<td>51,300</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>347,100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Denmark’s 2011 National Reform Programme.

The number of individuals living in households with low employment rose from 347,000 in 2008 to 480,000 in 2011 (see Figure 7). This should be seen in the light of the financial crisis. The number of individuals living in households with low employment declined from 480,000 in 2011 to 464,000 in 2012, however. The country-specific recommendations for 2013–2014 also recommend taking additional steps towards improving the employability of individuals on the periphery of the labour market, including individuals from an immigrant background, the long-term unemployed and wage-earners with a low level of qualifications.

**Figure 7. Number of individuals living in households with low employment, 2004–2011**

Note: Individuals living in households with very low work intensity are individuals aged 0–59 living in households where the adults worked less than 20% of the overall work potential over the past year.

Source: Eurostat.

17 Eurostat.
Typically, individuals on the periphery of the labour market also have problems other than a lack of employment and/or education. Twenty per cent of individuals of working age in Denmark have psychological problems, which is equivalent to the OECD average. This prompts a need for special intervention in relation to preparing for the labour market or completing an education. The OECD estimates that every year psychological problems cost the Danish economy almost EUR 6 billion or 3.4% of GDP in lost productivity, expenses for healthcare and social expenses.

Education seems to be an effective means for lifting recipients of cash welfare benefits out of poverty. A process study has looked at how young people, who were cash-benefit recipients in 1994 and did not have a formal qualifying education, are doing today, if they have completed an education in the meantime. Subsequently, one-third of the young people completed an education, and the analysis shows that they are doing far better in their adult lives than the young people who did not complete an education. Measured in terms of annual occupational income, which is affected by wage level and rate of employment, the young people who completed an education earned DKK 125,000 more in 2009 than those who did not. The likelihood of becoming employed is two-thirds higher if young recipients of cash-welfare benefits complete an education when measured 15 years later, and the risk of dropping out of the labour market entirely is reduced six-fold. At the same time, studies show that early intervention yields the highest returns.

Denmark has either implemented or is planning to implement the following initiatives to boost employment and increase social inclusion:

- **Tax reform.** The reform intends to ensure that it pays to work and, leading up to 2020, it is estimated that this will be able to help to increase employment by 11,000 individuals.
- **Reform of the disability retirement and flexi-job schemes:** The reforms are intended to retain the highest possible number of employees in the labour market and are expected to increase the labour supply by around 5,000 FTEs by 2020.
- **Reform of the cash benefits and state-funded grant and loan schemes:** The reform is expected to increase employment by 10,000 people leading up to 2020. The cash benefits reform is also intended to help to reduce unemployment among young people.

### 1.1.4. Innovation

Knowledge is important for enterprise productivity and innovation. Enterprises which invest in R&D are 15% more productive on average than enterprises which do not conduct research or develop new products or services. Productivity is even greater in enterprises which work together with knowledge institutions.

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19 Uddannelse giver et markant længere arbejdsliv [Education Markedly Prolongs Working Life], Economic Council of the Labour Movement, 3 April 2013.
20 Det Nationale Reformprogram [National Reform Programme], Denmark 2013, the Danish Government, April 2013.
21 Danish Agency of Science, Technology and Innovation. Produktivitetssefekter af erhvervslivets forskning, udvikling og innovation [The impact of the business community’s R&D and innovation on productivity], 2010. See also Økonomiske effekter af erhvervslivets forskningsamarbejde med offentlige videninstitutioner [Financial effects of the business community’s collaboration with public knowledge institutions], Danish Agency of Science, Technology and Innovation, 2011.
The Europe 2020 Strategy includes an objective stating that R&D expenditure (private and public sectors) should amount to at least 3% of GDP by 2020. Denmark’s national objective converges with this. According to the most recent figures (2011), Denmark had met the 3% target.

In addition, the national objectives are as follows:

- to increase the percentage of innovative enterprises to put Denmark among the five most innovative countries in the OECD leading up to 2020;
- to increase private investment in R&D to put Denmark among the five OECD countries whose business community invests the most in R&D as a percentage of GDP, leading up to 2020;
- to increase the percentage of highly educated individuals in the private sector to put Denmark among the five OECD countries with the highest percentage of highly educated individuals in the private sector, leading up to 2020.

According to recent internationally-comparable data, more than half of Denmark’s enterprises with more than 10 employees were innovative in 2008–2010. This puts Denmark in the median range among a number of comparable countries (see Figure 8).

**Figure 8. Share of innovative enterprises, 2010 (%)**

Note: Percentage of enterprises with at least 10 employees which have implemented innovation relating to products, processes, organisation and/or marketing in 2008–2010.


The level of private R&D investment in Denmark is relatively high, but Denmark is not among the top five countries (see Figure 9).

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22 In this context, this involves the OECD countries of Europe.
Innovative employees

The anticipated impact on economic growth from a rising level of education will depend on factors such as the number of young people who choose to take a higher education aimed at the private sector. Denmark’s share of highly educated private-sector employees (23%) is just below the OECD average and somewhat below the highest ranking countries (see Figure 10). The low percentage of highly-educated private-sector employees should be seen in the light of the fact that Denmark’s healthcare services are primarily in the public sector.

Studies show that all forms of tertiary education, regardless of length or subject, contribute to increasing enterprise productivity. And this means that not only is an individual employee with tertiary education more productive, but he/she also increases the productivity of his/her colleagues. Studies indicate that every time the tertiary education percentage increases by one percentage point, the GDP rises by 1%.  

Note: The data for AUS, CHL, JPN, KOR, MEX and TUR are from 2010, and for NZL from 2009. The data for CHE and ISL are from 2008 and for GRC from 2007. 


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Denmark has either implemented or is planning to implement the following initiatives to boost innovation in Danish enterprises: 24

- **Publication of eight growth plans** in business areas where Danish enterprises are internationally competitive;
- **A national innovation strategy**, including the drafting of an innovation catalogue (INNO+) and the establishment of the Market Maturity Foundation;
- **Consolidation and enlargement of the knowledge-pilot scheme** by infusing a total of DKK 134 million over three years. The scheme aims to increase the number of employees with tertiary education in private-sector enterprises;
- **Innovation networks** to support nation-wide cluster and networking organisations within the areas of importance to Denmark’s business community;
- **Innovation checks** which help SMEs, via innovation agents, to become more innovative through development projects and consultancy;
- **Young Enterprise (Fonden for Entreprenørskab)** to boost innovation and entrepreneurship in the educational system;

The above are supplemented by a **Network and Cluster Strategy** drawn up in collaboration with a number of ministries and including the regional growth forums, which promotes the enterprises cluster relationships for the benefit of the enterprises’ innovation capacity and networking activities.

### 1.1.5. Entrepreneurship and high-growth enterprises

It is well-known that entrepreneurship has a significant impact on job creation, and the declining start-up rate in Denmark in recent years has significantly reduced the level of job creation. Therefore, although an overarching objective is not stipulated in the Europe 2020 Strategy for entrepreneurship or SMEs, SME entrepreneurship and job creation are important sources of growth.

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24 Det Nationale Reformprogram [National Reform Programme], Denmark 2013, the Danish Government, April 2013.
According to the 2012 Entrepreneurship Index, we have some way to go before the conditions for entrepreneurs and high-growth enterprises in Denmark are on a par with the best of the OECD countries. Therefore, an ambitious effort is required to boost the conditions for growth in Denmark so that a larger number of new start-ups and established enterprises can enter dynamic growth processes.

**Newly established enterprises**
Previously, Denmark had a relatively large number of new start-ups every year. This picture changed in the years after the financial crisis, however, and several countries have overtaken Denmark, including France and Portugal. Thus, the financial crisis has had a relatively big impact on entrepreneurial activity in Denmark compared to many other OECD countries. Sweden, for instance, has managed to maintain the same level as in 2008, whereas the decline of Finland’s start-up rate is only half that of Denmark’s. In 2010, almost 11% of all Danish enterprises were less than one year old, which puts Denmark in the median range compared to other EU Member States (see Figure 12).

![Figure 12. Start-up rate, 2009 and 2010](image)

The international comparison of start-up rates is based on data which do not include the trend in recent years or the full impact of the financial and economic crisis, either in Denmark or in other countries. In Denmark, the start-up rate trend largely follows the number of CVR registrations, which can be calculated all the way up to 2012. The number of CVR registrations declined by roughly 20% from 2008 to 2009. The number of start-up registrations stabilised in 2010, 2011 and 2012, and the first half of 2013, but at a substantially lower level than previously.

**High-growth enterprises**
This group of newly started enterprises which enter the market with a high level of productivity and high productivity growth have on average high employment growth in the course of the first years of their existence. These enterprises also help to strengthen value creation and to grow the number of highly productive jobs.
In an international context, a newly established high-growth enterprise is an enterprise which employs ten or more people within its first two years of existence and has annual average growth in the number of employees of at least 20% in the three subsequent years. In the latest available international comparison (from 2010), high-growth start-ups accounted for more than 0.3% of all enterprises in Denmark. This is almost 50% less than in 2007, and ranks Denmark second to last among the countries for which data is available (see Figure 13).

**Figure 13. High-growth start-ups (more than 10 employees), 2010**

High-growth start-ups are not the only contributors to job creation and growth, however. After a number of years, older enterprises can also enter into a dynamic growth process, e.g. by introducing a new product or as the result of a successful change of owner. High-growth enterprises are enterprises which, regardless of age, have an average annual growth in the number of employees of at least 20% over a three-year period. In 2009, less than 3% of all Danish enterprises were high-growth enterprises. This is slightly below the average for OECD countries (see Figure 14).
Figure 14. High-growth enterprises, 2010

Note: High-growth enterprises are defined as enterprises whose number of employees has grown by at least 20% p.a. for three consecutive years. 2009 is the final year of the three-year growth period.
Source: Eurostat and Statistics Denmark.

Exports and access to financing
New enterprises’ international orientation and competitiveness in international markets is important for laying the basis on which enterprises can enter into dynamic growth processes and create new jobs. This is because, *inter alia*, Denmark’s domestic market is relatively small. The percentage of new enterprises that begin to export products/services already within their first year of existence has been relatively constant at 8% in the period from 2006 to 2009.\(^{25}\) In addition, SMEs are responsible for a declining share of overall exports (see Figure 15).

The credit situation continues to show signs of improvement, but SMEs’ access to financing is still difficult.\textsuperscript{26} Overall lending trends to the business community are more or less stagnant for the first time since early 2011. This means that a lengthy decline in business lending appears to be levelling off. Overall business lending has increased by 1% over the past year, if the issuance of commercial bonds is included in enterprises’ financing options. Disregarding commercial bonds, overall lending to private-sector enterprises increased by 0.1% in September 2013 compared to the previous year.

**Entrepreneurship and job creation**

The declining start-up rate combined with a decline in the overall number of enterprises during the financial crisis has led to a record decline in the number of new start-ups. In absolute figures, Denmark had 24,400 new start-ups in 2007, but only 16,000 in 2009. As a consequence of the sharp drop in the number of new start-ups, there is a large “shortage” of workplaces compared to periods when entrepreneurial activity was at its highest. In November 2008, shortly before the financial crisis worsened dramatically, the 24,400 enterprises which started up in 2007 had created more than 36,500 jobs. By comparison, the 16,000 start-ups from 2009 had created only slightly more than 19,700 jobs in November 2010.\textsuperscript{27}

A direct comparison of figures for 2007 and 2009 – in terms of entrepreneurship – thus shows that the financial crisis meant that new start-ups from 2009 created 16,800 fewer jobs than new start-ups from 2007. The decline is related both to the creation of significantly fewer start-ups but also to the fact that the new start-ups created fewer jobs per enterprise in 2009 compared to 2007.

**Entrepreneurial culture**

\textsuperscript{26}Redegørelse om udviklingen i kreditmulighederne i Danmark [Report on Developments in Credit Possibilities in Denmark], 1st half of 2013, Ministry of Business and Growth, December 2013.

\textsuperscript{27}eStatistik.dk.
At European level, focus has been brought to bear on entrepreneurial skills by the European Commission’s introduction of an entrepreneurship action plan in January 2013, which emphasises the need for a sweeping cultural change in Europe based on effective entrepreneurship education.

Roughly 25% of Danes have received some kind of entrepreneurship education.\(^{28}\) This is slightly above the EU average of 23%, but somewhat below countries which perform best in the survey, such as Finland (39%), the Netherlands (36%) and Sweden (33%). More than half of the Danish respondents (also including those who did not receive entrepreneurship education) agree that their schooling helped them to develop their entrepreneurial spirit. In Finland the figure is 64%. Denmark is ranked below the EU average when it comes to the percentage who agree that their schooling has helped them to better understand the societal role of entrepreneurs.

In some areas, Denmark lags behind other leading innovative countries, notably with respect to private funding of innovation, certain aspects of entrepreneurial culture, collaboration between knowledge institutions and the business community and insufficient intensity in competition at local level.\(^{29}\)

Denmark has either implemented or is planning to implement the following initiatives to boost entrepreneurship and high-growth enterprises:

- **Agreement on Growth Plan for Denmark**, which enlarges the scheme for small loan guarantees (Vaekstkautioener) established as part of the credit package, and lays the basis for a new lending scheme, Growth Loans for Entrepreneurs (Vaekstlån for Iværksættere). The scheme will improve access to financing for entrepreneurs with a relatively large financing need (more than DKK 2 million) and who are unable to provide sufficient collateral.
- **Growth market strategies**, which promote Danish enterprises’ internationalisation through funds aimed at promoting exports and investment via Eksportkreditfonden (the Export Credit Agency), and by boosting the financing of exports and investment through a collaborative effort involving the Export Credit Agency, the Trade Council and Denmark’s representative offices abroad.
- **The credit package**, which improves SMEs’ access to financing. The credit package makes it possible, *inter alia*, for Vaekstfonden to provide small loan guarantees (Vaekstkautioener) for lending up to DKK 2 million.\(^{30}\)
- **The Development Package**, which increases financing for SMEs through loan financing and export guarantees (only until 2015, however).
- A new *companies act*, which establishes a new type of enterprise known as an “entrepreneurial company”. This type of company will enable entrepreneurs to start up their own enterprise with seed capital comprising only one Danish krone.
- **The Market Maturity Fund** which over the next three years may annually grant DKK 135 million to co-fund particular SMEs measures aimed at testing, trying out and marketing their newly-developed solutions.


\(^{29}\) COMMISSION STAFF WORKING DOCUMENT. Assessment of the 2013 national reform programme and convergence programme for 2013 for Denmark. Accompanying the document “Recommendation for a COUNCIL RECOMMENDATION on Denmark’s 2013 national reform programme and delivering a Council opinion on Denmark’s convergence programme for 2012–2016 (COM(2013) 354 final)”.

\(^{30}\) *Udviklingen i kreditmulighedene i Danmark* [Development of Credit Options in Denmark], Ministry of Business and Growth, December 2012.
• **Young Enterprise (Fonden for Entreprenørskab)**, which boosts the culture of growth and promotes dynamic growth processes for entrepreneurs by intensifying the focus on education and training programmes.
• **The Green Development and Demonstration Programme**, which supports sustainable growth in the food industry by proving subsidy for commercially innovative development projects.
• **Green Entrepreneurship Centre**, which sets up a physical entrepreneurial environment for promising entrepreneurs and enterprises with particular focus on the development and testing of green solutions.

**1.1.6. Education and training**

The Europe 2020 Strategy sets out two objectives in the area of education and training: to reduce the number of early school leavers to 10% for individuals aged 18–24 and to increase the percentage of individuals aged 30–34 who have completed a tertiary study programme or similar to at least 40%. The Danish targets coincide with the EU 27 targets in the field of education and training.

Denmark’s percentage of early school leavers was more than 9% in 2012 (most recent year of data). This puts Denmark about four percentage points below the EU 27 average.\(^\text{31}\) Since 2007, Denmark has reduced its percentage of early school leavers, thus meeting the EU target. However, in 2006, Denmark was already below 10%, after which the percentage of early school leavers rose sharply from 2006 to 2007.

With respect to tertiary education, Denmark met the target in 2012 (most recent year of data) stipulating that at least 40% of individuals aged 30–34 should have completed tertiary education, with a result of 43%. In relation to other EU Member States, Denmark is ranked 10th, behind countries like Ireland, Sweden, Finland, the UK, France and Belgium.

**Youth education and tertiary education**

Denmark contributes to meeting the EU targets through its national targets which include that 95% of the students from each class year must have at least a youth education (i.e. youth education or higher education). This target is evaluated using a profile model which estimates the percentage of a class year that is expected to take at least a youth education within the next 25 years. For the 2011 class year, 92% are expected to complete at least a youth education, and this trend has been rising in recent years (see Table 1 below).

Even though the 95% target is closer to being met than previously, it is not positive across the board. The percentage who are expected to complete vocational training declined every year from 2004 to 2011. Out of the class which left grade 9 in 2004, 41% were expected to complete vocational training, whereas the same figure for the 2011 class year is 32%.

Progression through the educational system by young men and women differs greatly depending on whether they are of Danish ethnicity or ethnicity other than Danish. Regardless of ethnicity, a larger

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\(^\text{31}\) Early school leavers are defined as individuals aged 18–24 who meet the following two conditions: 1) the highest level of education achieved is ISCED 0, 1, 2 or 3c short (equivalent to Denmark’s lower secondary school); and 2) they are currently not enrolled in a study or training programme.
percentage of young women are expected to complete at least a youth study programme. Out of the 2011 class year, 95% of the young women of Danish ethnicity and 91% of the young women of ethnicity other than Danish are expected to obtain this. Correspondingly, 91% of young men of Danish ethnicity and 80% of young men of ethnicity other than Danish are expected to obtain at least a youth education. The last-mentioned group experienced the sharpest rise in recent years, however.

Table 1. The Profile Model

<table>
<thead>
<tr>
<th>Percentage of a class year who are expected to complete:</th>
<th>at least a youth education</th>
<th>tertiary education</th>
<th>long-cycle tertiary education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>95</td>
<td>60</td>
<td>25</td>
</tr>
<tr>
<td>Status, 2011</td>
<td>92</td>
<td>59</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Uni-C Statistik & Analyse.

Almost all young people start on a youth education at some point. Therefore, a crucial prerequisite for meeting the 95% target – and contributing to the Europe 2020 objective of reducing the number of early school leavers (ESL) – is to limit the ESL rate. The completion rate for upper secondary study programmes in all regions is relatively high (85–87%). The challenge is substantially greater with vocational youth training programmes (see Figure 16).

Figure 16. Percentage of students enrolled in vocational youth training who complete the programme, 2002–2012

Source: UNI-C Statistik & Analyse.

Traineeships and apprenticeships

In 2012, 34,700 new education and training agreements were entered into, so overall there were 59,300 ongoing agreements (not including the social and healthcare worker programme and the teacher’s assistant programme). The number of traineeship/apprenticeship agreements declined between 2007 and 2009. The decline is partly offset by a predominantly positive trend in the period from 2009 to 2012 (see Figure 17).

32 Almost 48,800 agreements, if the social and healthcare worker programme and the teacher’s assistant study programme are included.
Figure 17. Overall trend for the number of traineeship/apprenticeship agreements entered into, 2003–2012

Note: Due to a data breach, the number of traineeship/apprenticeship agreements entered into does not include the social and healthcare worker programme or the teacher’s assistant programme.
Source: Uni-C Statistik & Analyse.

Since 2007, the number of individuals actively applying for traineeship/apprenticeship had risen to almost 9,700 by late 2011 (see Figure 18). The 2012 figure is on a par with the figures in 2004–2005.

Figure 18. Number of individuals applying for traineeship/apprenticeship, 2003–2012

Source: Uni-C Statistik & Analyse.

The European Commission’s country specific recommendations for 2013–2014 notably include improving the quality of vocational training for the purpose of reducing the ESL rate and increasing the number of traineeships and apprenticeships.

Adult and continuing education programmes
Denmark has a high level of participation in its adult and continuing education programmes (VEU) compared to other countries. From 2010 to 2011, the level of participation in educational activities among individuals aged 30–64 in Denmark declined slightly, after several years with a rising level of participation. Denmark continues to have the largest percentage in Europe of individuals aged 30–64 who take part in educational activities (see Figure 19).
Denmark also has a higher number of unskilled individuals who take part in adult education and continuing education activities than any other EU Member State. This level of participation declined slightly from 2010 to 2011, however, when more than 21% of unskilled individuals in Denmark took part in educational activities (see Figure 19). On average, unskilled individuals are less inclined to take part in adult continuing education than individuals with an educational level above lower-secondary.

Figure 19. Percentage who have taken part in education or training in the past four weeks, 2000–2011

Both enterprises and employees can have different barriers to participation in continuing education. For instance, some enterprises do not have an educational tradition and therefore it does not seem natural for their employees to engage in continuing education. Finally, education is an investment for an enterprise, which has to pay the costs in the short term and does not reap any benefits until the long term. For this reason, enterprises experiencing a specific need for educational skills may still be reluctant to invest in education and training. The smaller the enterprise, the less inclined the enterprise is to commit to providing continuing education to current employees or to recruiting highly educated candidates. SMEs are less likely to have an HR department for managing the planning of education and training activities, and these enterprises are more likely to lack information on the options available for employee training.

Denmark has either implemented or is planning to implement the following initiatives to boost the level of skill-sets:

- Reform of the state student grant and loan scheme for study completion, to accelerate students’ completion of their study programme.
- Agreement on better vocational education and training and strengthened education guarantee, which inter alia aims to help to reduce the ESL rate of vocational programmes, secure more traineeships/apprenticeships and boost teachers’ skill-sets. In addition, to secure the future of adult and continuation education (VEU) centres.

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33 Det Nationale Reformprogram [National Reform Programme], Denmark 2013, the Danish Government, April 2013.
- *Flexi-study programmes*, targeting young people who lack the qualifications for completing an ordinary youth education and who are eventually expected to take paid employment.
- *Better vocational training* which, in continuation of the above, should help to ensure that more young people choose vocational training.
- *More and better adult and continuing education programmes* to strikingly boost the skill-sets of the workforce and to help to retain manufacturing enterprises and jobs in Denmark.
- *Conclusion of three-year development contracts with all tertiary educational institutions* which aims *inter alia* to reduce the drop-out rate, ensure better cohesion in the tertiary education system, increase the study of innovation in the study programmes and increase collaboration with the business community.

### 1.1.7. Climate, energy, resource efficiency and green changeover

Denmark is covered by the following targets in the area of climate and energy:

- reduce by 20% greenhouse-gas emissions not covered by emission allowances in 2020, compared to the 2005 level;
- increase the percentage of renewable energy sources in the final energy consumption from 17% in 2005 to 30% in 2020;
- increase the use of renewable energy in the transport sector to 10% by 2020.

**Climate**

As part of the European targets in the Climate and Energy Package, to achieve a combined 20% reduction of greenhouse gas emissions by 2020 compared to 1990, Denmark has agreed to reduce emissions not covered by the EU Emissions Trading Scheme by 20% compared to the 2005 level. There are annual reduction obligations in the 2013–2020 period, and it is possible to transfer surplus compliance to subsequent years.

Emissions of greenhouse gases have stabilised in several OECD countries in recent years, including as a result of increased energy efficiency. Denmark’s greenhouse gas emissions declined by more than 10% from 1990 to 2010. This is slightly below the EU 27 average of a 15% reduction. Emissions vary somewhat from one year to the next, depending on whether Denmark is a net importer or net exporter of electricity. In 1990, electricity imports to Denmark were extraordinarily high, causing the emission of greenhouse gases to be extraordinarily low. After adjusting for the effect of these annual fluctuations in net exports of electricity, emissions declined from 77 million to 58 million GtCO₂ equivalents, i.e. almost 25% (see Figure 20).
Looking at trends since 2005, Denmark has so far reduced its emissions of greenhouse gases by 4% and expects a total decline of 10%, which means that Denmark will be some way from the target stipulated by the European Commission of a 20% reduction.  

### Energy

As part of the European Climate and Energy Package from 2008, Denmark undertakes to increase its share of the final energy consumption originating from renewable energy sources from 17% in 2005 to 30% in 2020. With the implementation of the initiatives agreed in the 2012–2020 Energy Agreement, the target is achieved with a more than 35% share of renewable energy sources in the final energy consumption in 2020. At the same time, based on the assumptions for economic growth, energy-price trends, etc., the initiatives in the energy agreement will lead to an absolute 12% reduction in the gross energy consumption in 2020 compared to 2006. The 2008 energy agreement stipulated a 4% reduction in 2020 compared to 2006. In 2011 the percentage was more than 23% (see Figure 21). The percentage is somewhat higher in Sweden and Finland, for instance.

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Note: Greenhouse gas emissions are restricted pursuant to the Kyoto Protocol, i.e. they do not include emissions from bunkeried fuel for Danish ships or aircraft abroad.

“Other gases” include methane, laughing gas and several industrial gases.


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34 According to the Europe 2020 Strategy, Denmark needs to reduce carbon emissions not covered by the EU emissions trading system by 20% before 2020 compared with 2005. At national level, the Danish Government has pledged to reduce all carbon emissions by 40% before 2020. According to the latest national projections, Denmark is expected to reduce emissions not covered by the emissions trading system by 22%, which conforms to the 2020 target. Source: SWD(2013) 354 final.
Considering the trend over time, the share of renewable energy out of total energy consumption has been rising since 2006 (see Figure 22). The same is true of EU 27 on the whole.

As part of the Climate and Energy Package, Denmark must meet a requirement on an equal footing with the other Member States to ensure that at least 10% of the energy consumed by the transport sector comes from renewable energy sources. This target is achieved with the implementation of the transportation initiatives agreed in the energy agreement. In 2010, Denmark was one of the countries with the lowest percentage of renewable energy in the overall energy consumption of the transportation sector, by contrast with Sweden, for instance, which has the highest percentage (see Figure 23). The percentage has been stable in recent years (2006–2011).

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35 Det Nationale Reformprogram [National Reform Programme], Denmark 2013, the Danish Government, April 2013.
Resource efficiency

The European Commission recommends that better, more efficient use of resources in the EU will be of crucial significance for achieving targets to reduce greenhouse gas emissions in the EU by 80% to 95% in 2050. At the same time, the EU’s use of natural resources is of crucial significance for the European and global economy and is an important part of measures aimed at sustainable development.

In accordance with the European Commission, resources are broadly defined and also include fuels, minerals and metals, but also food, soil, water, air, biomass and ecosystems. Natural resources are coming under increasing pressure and if present population growth continues, the global population will have increased by 30% to around 9 billion in 2050. A continuation of previous trends will increase pressure on global resources and threaten the reliability of supply in the EU.

The efficient use of resources is important to both the individual enterprise and the national economy as a whole. The use of energy and resources has become substantially more efficient in Denmark over the past thirty years, as energy consumption has remained more or less constant, although GDP has grown considerably. Access to and use of natural resources is also crucial for European enterprises, but the pressure on resources is intensifying. Improving the efficient use of resources requires the development of new products and services, and new ways to reduce the need for raw materials and auxiliary materials in the manufacturing process, minimised waste, improved resource management, changed consumption patterns, optimised manufacturing processes, developed new management and business models and improved logistics and infrastructure. This effort will help to stimulate technological innovation and increase employment in the green sector.

Enterprises can also become more competitive by implementing new solutions to achieve a more resource-efficient production process.

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39 Danmark uden affald [Waste-free Denmark], p. 37, the Danish Government 2013.
The European Strategy “Roadmap to a Resource Efficient Europe” specifies a number of objectives which EU Member States should achieve by 2020, including in the areas of waste, water, air pollution and recycling.

**Green conversion**
Looking at the green sector as a whole, including green energy technology, it is estimated that around 22,000 enterprises in Denmark manufacture and sell one or more green products.\(^{40}\) This equates to about 20% of all enterprises with at least one FTE producing at least one green product. In addition, about 106,000 individuals were employed in the sector in 2010. Enterprises with green production employ a larger percentage of skilled workers and a slightly lower percentage of unskilled employees than all enterprises in general. Green production processes are also more technical than other production processes, which is reflected in a higher employment of employees with a technical or social sciences education.

Total turnover generated by green enterprises amounted to approximately DKK 250 billion in 2010, equivalent to 9.2% of total turnover generated by Danish enterprises.\(^{41}\) Enterprises with green production processes are both highly productive and export-orientated. Green enterprises are even more productive than the manufacturing industry as a whole and just as productive as similar enterprises. This is due to factors such as the use of advanced technology and an intense focus on exports. There is a huge potential to create growth and new jobs concurrent with conversion to green energy both here in Denmark and abroad.

Denmark has either implemented or is planning to implement the following initiatives to promote green conversion and reduce greenhouse gas emissions:\(^{42}\)

- *Growth Plan for Water, Bio and Environmental Solutions* aimed at enhancing Denmark’s position as a centre of growth for solutions to the world’s aquatic challenges, being at the forefront of developments in the bio-economy; and Danish enterprises should be among the best to manufacture more using less;
- *Energy and Climate Growth Plan* aimed at ensuring that the green conversion of the energy system and energy consumption in Denmark is cost-effective and contributes to Danish growth, employment and exports;
- *2012–2020 Energy Agreement*, including a number of initiatives aimed at promoting green and sustainable energy supplies based on renewable energy, increasing the use of renewable energy in buildings and in the business community, as well as the use of electricity and biomass in the transport sector;
- *Responsible Growth, 2012–2015*, to boost enterprises’ green conversion by requiring the inclusion of the impact on the climate and the environment in the annual report.
- *National Innovation Strategy* to promote the development and use of green solutions to social challenges, etc.;

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\(^{40}\) *Vækstplan for energi og klima* [Growth Plan, Energy and Climate], the Danish Government, 2013.

\(^{41}\) *Grøn produktion i Danmark – og dens betydning for dansk økonomi*, [Green Production in Denmark and its significance to the Danish economy], Ministry of Climate, Energy and Building, Ministry of Business and Growth and Ministry of the Environment, November 2012.

\(^{42}\) Det Nationale Reformprogram [National Reform Programme], Denmark 2013, the Danish Government, April 2013.
Green Labs, Energy Technology Development and Demonstration (ETDD) and Environmental Technology Development and Demonstration Programme (ETDDP), to promote the development and use of climate-friendly technologies;

Green Development and Demonstration Programme (GDDP) which grants subsidy for the development of new technologies, processes and products capable of reducing the impact on the natural environment and the climate;

Green Technology Programme;

Green Centre of Growth is an entrepreneurial environment for promising entrepreneurs and enterprises that would like to develop new green solutions or business models aimed at promoting the circular economy.

1.1.8. Challenges to growth and prospects for the fishery and aquaculture sector

Denmark’s fishery sector is one of the biggest in Europe and basically, the sector has good prerequisites.

Fishery stocks have historically been declining, and growing efficiency and sourcing of processing jobs have contributed to a decline in the number of jobs in the fishery sector. Nevertheless, there is still a substantial resource basis within the stocks exploited by Danish fishery and, by virtue of its geographic location and good relations with North Atlantic fishery nations, Denmark has good access for importing raw materials to the fishery industry. Therefore, there are good prospects for retaining a sizeable fishery business in Denmark, provided that the business can develop and adapt to the new technological opportunities and market conditions. The number of jobs in the fishery sector has been declining concurrent with the reduction of the number of vessels in Denmark’s fishery fleet. Difficult financing terms and working conditions which frequently result in periods of prolonged absence from home can be contributory causes of recruitment difficulties and generational-change problems within the fishery business.

Denmark’s aquaculture production has stagnated over the past 25 years. Even so, Denmark has good natural prerequisites for developing aquaculture production both at land-based and sea-based facilities. It is also expected that there will be space in the aquaculture sector for a growing niche of speciality products, including organic products.

Jobs in fishery, processing and associated businesses are crucial in regions of Denmark, particularly in North and West Jutland, inhabited islands and rural areas with fishery and aquaculture. Coastal fishery, fishery ports and waterways with recreational angling are also important factors for tourism. Traditionally, the processing of fish products has been important to the economy and jobs in coastal areas and, despite some decline, it is still crucial for the local economy of many areas where economic growth has generally been weak.

The manufacture of fish meal, oil and fish feed is an important aspect of Denmark’s fish processing industry. Landings for industrial use form the basis for 800 full time employed (FTEs) at sea and on land. The export value of these products is close to DKK 400 million p.a.

Coastal fishery with smaller vessels has significant local and cultural significance and is central to the life and activity in fishery areas and thus to tourism, local revenue and jobs.
Growth and competitiveness
Overall the fishery sector has grown since 2003, and particularly after 2009, although recent years have been marked by stagnation (see Figure 24).

Figure 24. Creation of value within Danish fishery, 2003–2011 (DKK million) per type of enterprise

Key factors for economically developing Danish fishery include the level of fish stocks and thus the landing volumes permitted. In other words, the prospects of production growth are limited by biological factors. Similarly, price trends, which for the vast majority of species are set by the world market, and fuel prices are key, not least because these can fluctuate greatly, including in the very short term. Factors of more prolonged duration such as the international financial crisis have also affected the industry’s financing options and capital costs in recent years.  

Two factors are expected to be crucial in relation to green growth within the fishery industry during the upcoming programme period. It is expected that the achievement of the objective stipulating that all stocks must be at a level that can produce the maximum sustainable yield (MSY) by 2020 will in the long term contribute to future and ongoing growth within the sector. The gradual

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43 Den økonomiske situation i Dansk Fiskeri [Economic Situation of Danish Fishery], Department of Food Economics, University of Copenhagen, 2011.
Implementation of a discard ban will provide new opportunities but also a series of challenges in the primary fishery, for fishery ports and in the processing industry. The outcome of the last-mentioned will largely depend on focusing on innovation and fresh approaches with a view to the best possible use of the entire catch. This will impose new and bigger demands on fishery ports to be able to handle fish that were previously discarded. The new system will probably open up new markets for species and products that are not profitable with a quota-landing system and new logistics and infrastructure may be needed to deal with this. In conjunction with the gradual implementation of the discard ban, the raw-material base for industrial fishery will also be complemented by landings of undesirable catches for use in the aquaculture, agriculture and pharmaceutical industries.

By contrast with the growth of global aquaculture production, production in the EU and Denmark has been limited or stagnant in recent decades, although there have been brief fluctuations. Today, 65% of the fish consumed in the EU is imported.

Table 2. Development of Danish freshwater and seawater aquaculture, gross yields and creation of value, 2006–2011

<table>
<thead>
<tr>
<th></th>
<th>Production, tonnes</th>
<th>Gross yields, '000 DKK</th>
<th>Creation of value per employee (baseline price: 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
<td>2011</td>
<td>%</td>
</tr>
<tr>
<td>Traditional freshwater aquaculture</td>
<td>23,263</td>
<td>15,433</td>
<td>-34%</td>
</tr>
<tr>
<td>Freshwater-aquaculture model, Type 1</td>
<td>3,607</td>
<td>3,866</td>
<td>7%</td>
</tr>
<tr>
<td>Freshwater-aquaculture model, Type 3</td>
<td>4,017</td>
<td>8,154</td>
<td>103%</td>
</tr>
<tr>
<td>Freshwater total aquaculture</td>
<td>30,887</td>
<td>27,453</td>
<td>-11%</td>
</tr>
<tr>
<td>Seawater aquaculture</td>
<td>8,364</td>
<td>10,571</td>
<td>26%</td>
</tr>
<tr>
<td>Total</td>
<td>39,251</td>
<td>38,024</td>
<td>-3%</td>
</tr>
</tbody>
</table>

Note: Figures for Aquaculture model, Type 1, were taken from the segment “freshwater aquaculture with recirculation”.

Productivity and operational analyses of Denmark’s freshwater aquaculture sector, carried out by the Department of Food Economics, University of Copenhagen, in 2010, 2011 and 2012, concluded that production growth could be achieved in Denmark’s aquaculture sector by using pollution-reducing technology without this causing an increase in nitrogen emissions. The analyses are based on specific data for production, finances and emissions from conventional freshwater aquaculture facilities and freshwater models types 1 and 3.
A significant sector problem is the scarcity of permissions issued in recent years for building new facilities or permissions issued for enlargement of existing facilities, in spite of the fact that the overall environmental impact of the profession, in the form of nitrogen, phosphorous and organic material, declined during the period. A wide range of other factors also contributes to the slowdown.

Insufficient propensity to invest, rising food prices and lower selling prices on the global market, as well as the fact that many producers have chosen to sell their facilities due to their certification situation, have also contributed to the aquaculture-production decline.

The regulation of aquaculture production is closely correlated with the implementation of the requirements stipulated in the EU Water Framework Directive.

Aquaculture strategy
The purpose of the forthcoming 2014–2020 Strategy for Sustainable Development of the Aquaculture Sector in Denmark is to ensure a financially and environmentally sustainable development of Denmark’s aquaculture sector leading up to 2020. This development should be achieved by increasing the efficient use of resources and improved sector competiveness that will create value, growth and jobs.

In order to improve the potential to expand production, there is a need to look at possible improvements in the administrative base, including the regulatory framework itself and the administrative procedures, as well as possibilities of designating potential locations of facilities in advance.

Denmark is one of the oldest freshwater aquaculture countries in the world with a long-standing tradition of innovation and innovative approaches. This has led to Denmark’s aquaculture sector being one of the most efficient and eco-friendly in the world today, but also to the fact that Danish manufacturers of fish feed and recirculation technology for freshwater aquaculture are world leaders. This leading position must be maintained by a continued commitment to research into and development and innovation of new technology, and the leading position must be exploited to increase exports of feed and technology in a market with keener and keener focus on sustainable production of food and more eco-friendly aquaculture production.

Nature, the environment and resource efficiency
Fishery and aquaculture are nature-based businesses that are directly dependent on the natural environment as the basis for their production processes. The natural environment is the workplace of these business sectors, and the state of the natural environment is directly decisive for the resource base in the production of these sectors. At the same time, fishery and aquaculture have a direct impact on the aquatic environment in Danish waters, lakes and waterways.

The objectives for the green conversion in fishery and aquaculture are to develop and convert the production processes for the purpose of protecting and maintaining the natural resource base. Natural resources must be commercially exploited to maximise the commercial gain and financial prosperity while protecting natural and recreational values at the same time.

Danish fishery is conducted in Denmark’s territorial waters and, for some types of fishery, in the North Atlantic as well. Fishery activities cover a wide range of fish populations and are regulated
on the basis of biological consultancy concerning the state of the fish populations. Fishery management aims to ensure that the resources can be exploited optimally by organising the fishery business to make it possible to achieve maximum sustainable yields (MSY), and the objective is for the consultancy, wherever possible, to take account of the interaction between different fish populations and the overall marine ecosystem. Better fishery management imposes big demands on basic biological data and on the scientific studies and analyses required. Therefore, the European Maritime and Fishery Fund (EMFF) must contribute to the financing of these efforts.

Improved regional maritime planning and integrated coastal management require the provision of sufficient basic data and the coordination of existing data. To a certain extent, data are already available in the individual agencies and ministries in Denmark, but a specific assessment of the cost level is not possible before the national implementation of such integrated planning and management has been determined.

Environmental impact of fishery
Fishery’s impact on the marine environment can be divided into direct and indirect effects. The direct effects include the rate of mortality incurred by marine organisms as a result of fishery, i.e. the biomass removed from the sea and the mechanical action against the sea floor in particular through swirling and deposits. The indirect effects are particularly related to prolonged and, in some instances, permanent changes to the structure of the individual ecosystems.

The general picture of the utilisation of fish populations in Danish waters is that pressure on fish stocks has significantly declined and fish populations have improved since 2000. However, pressure on fish stocks for a number of populations is still higher than the level assessed by the International Council for the Exploration of the Sea (ICES) as being compatible with the MSY objective. Continued reduction of the fishery mortality rate for a number of fish populations is necessary for being able to increase the use of these stocks to a sustainable level.

Certain types of fishery can have a substantial impact on marine habitats. Frequent bottom trawling of an area can reduce benthic fauna and in some instances cause irreversible changes to the sea floor. Besides the impact on benthic fauna, fishery conducted with certain bottom-dragging equipment can dislodge stones on the sea floor, which can cause reefs to be smoothed out and relocate some of the rocks in places where they are buried by soft sediment. This can result in the loss of reef habitats and homogenise the sea floor. The sum of these changes can change the sediment structure of the sea floor in terms of grain size and the content of organic material, which in turn can affect the composition of benthic fauna and flora. It is uncertain whether the effect is reversible and if so how long the restoration will take.

In some types of fishery, a sizeable volume of catches have previously been thrown back overboard because the fisherman is not permitted to land them (typically because they are smaller than the minimum size limit or because the fisherman does not have quota rights for them) or because it is economically infeasible to land them. Discarding fish is a societal waste of resources that increases the mortality rate and contributes to changing the ecosystem. Discarded fish make easy prey for a number of marine predators and animals that feed on carrion, which contributes to changing the composition of species.

The reform of the Common Fisheries Policy departs from the previous approaches to the discarding issue. According to the policy, it has been decided to stop the discarding of fish by introducing an
obligation to land all catches in the 2015–2019 period. The timetable for implementing “the landing obligation” is stipulated in the new basic regulation adopted in 2013 which lays down the overarching goals and framework for the EU Common Fisheries Policy. The first section of the landing obligation must be introduced no later than 1 January 2015.

Environmental impact of aquaculture production

Freshwater aquaculture on land can have an impact on waterways. For traditional freshwater aquaculture, water is often dammed up using a dam. Depending on structure, water flow, etc., the damming up of a waterway can obstruct the upstream migration of wild fish through the waterway, thus preventing the fish from reaching spawning and breeding grounds located upstream. In addition, studies show that damming up causes fauna passage problems and loss of smolt.

Besides the fact that a dam can obstruct the passage of fauna, the traditional form of production also typically reduces the flow of water through the waterway between the inflow and outflow of water from the aquaculture facility. This impairs spawning and breeding possibilities for fish and small animals along this stretch of waterway. In addition, the actual water intake presumably causes a direct loss of small animals and migrating fish which are attracted by the water flowing in or out of the aquaculture facility.

Discharges from freshwater aquaculture facilities contain a number of substances which can contaminate the aquatic environment. These substances include nutrients (nitrogen and phosphorous) and organic substances. Organic substances in particular have an immediate impact on the waterway as they can worsen the oxygen conditions in the waterways, especially close to the sediment. This can have a negative impact on benthic fauna in particular. In recent years, however, a number of so-called model aquaculture facilities have been set up where particularly the most advanced systems (type 3) capture water by pumping in drainage/well water and no longer use surface water. This also eliminates the need to dam up a waterway.

Investments, particularly in type 3 model aquaculture, are relatively great, which requires a significant share of private venture capital. In the period from 2006 to 2011, very few classic aquaculture facilities converted to model aquaculture type 1 or 3. This should also be seen in relation to an uncertain financial situation and a general increase in costs, particularly feed prices.

The breeding of saltwater fish can also constitute a pollution factor at local level as saltwater aquaculture and sea-based aquaculture facilities discharge nitrogen, phosphorous, organic substances, etc. Nationwide, the discharge of nutrients from saltwater-based fish-breeding facilities is of only minor significance to the aquatic environment, as the discharges represent only a small percentage of the overall inflow of nitrogen and phosphorous to Denmark’s territorial waters. Locally, discharges of nutrients from individual aquaculture facilities can have a very negative impact on the aquatic environment, as the discharge is highly concentrated in one place. Therefore, the specific location of future saltwater aquaculture facilities is very important.

Waterways, river basin management plans, maritime environment and Natura 2000

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Denmark has significant obligations in the area of nature and the environment relating to a number of European directives, including the Natura 2000 directives (the Habitats Directive and the Birds Directive), the Maritime Strategy Framework Directive and the Water Framework Directive, all of which are of great importance in terms of improving habitats for fish stocks.

According to the Water Framework Directive, the objective is to achieve a healthy ecological status for all coastal waters, waterways and lakes. The objective for the Natura 2000 habitats is a favourable conservation status, which means that the condition of a habitat must be stable or improving and it must be guaranteed that the basic designation of types of habitat and habitats for species, including a number of fish species, will also be able to achieve a favourable conservation status in the future as well.

The river basin management plans lay down the action for water quality in coastal waters and lakes and for the quality of the physical conditions in waterways, thus creating a general basis for improving the living conditions for fish populations.

In the first plan period, measures aimed at improving the water quality of marine Natura 2000 habitats are managed primarily by the river basin management plans, whereas measures relating to fishery’s physical impact on types of natural marine environments and species in the Natura 2000 habitats are managed by the nature conservation plans. The marine strategy framework directive sets out objectives concerning the use of fish stocks and the overall physical impact on the sea floor, where fishery using bottom-dragging equipment constitutes a significant impact.

There will continue to be major challenges in the improvement and restoration of habitats for fish stocks and in the development of fishery methods that do not negatively impact biotopes and species habitats.

There are also expected to be significant challenges in the fisheries area in relation to the required procurement of basic data, analyses and development of management techniques relating to an ecosystem-based approach to fisheries management and the implementation of the marine strategy framework directive and Natura 2000.

**Climate and energy**

Fishery’s climate impact can be indirect, particularly relating to emissions from the consumption of energy. Fuel consumption and the related release of gases such as CO₂ and NOx are key to fishery’s environmental impact. Fuel consumption varies greatly depending on vessel size, fishing equipment and fishery pattern, including the distance to fishing grounds and the size and speed of trawling equipment during fishery activities.

The heightened use of technology by aquaculture facilities helps to reduce the discharge of nutrients, etc., but aquaculture remains very energy intensive. Reducing energy consumption will not only reduce the climate impact but will also reduce the costs of operating the system.

Climate change affects the living conditions of fish and shellfish in the waters where Danish fishermen carry out fishery and, thus, climate change affects the fishery itself. Temperature increases will either reduce the number of species living on the southernmost limit of their range or prompt them to migrate northward, whereas species living in their northernmost range will gain ground. Indirect effects of climate change through changes to sea currents, acidification and
increased flow of fresh water can give rise to changes in algae composition and water flea colonies, thus affecting food chains and the recruitment of a number of important fish species that would otherwise have adapted to the higher temperatures.

Fishery will have to adapt – and can very likely do so – to new species or to a different composition of species in the various waters.

The common features of climate change are that it affects the ecosystems where population changes can occur, and that ecosystems are increasingly susceptible to the prevalence of invasive species. Invasive species have the potential to change ecosystems, which causes commercially valuable species to be replaced by species with no appreciable financial significance.

**Structural challenges**
A concentration of activities is occurring in a few major ports. There are 344 fishing ports in Denmark, the majority of which (311) are small harbours with landing values of less than DKK 10 million (see Table 3). Eleven per cent of the total landed value from Danish vessels is landed in these small ports. By comparison, 63% of the total landed value is landed in five major ports. The largest ports are Skagen, Hanstholm and Thyborøn, with landed values exceeding DKK 500 million. The North Denmark Region has the highest landed value at around DKK 1.2 billion, whereas Region Zealand has the lowest landed value at DKK 69 million.

<table>
<thead>
<tr>
<th>Region</th>
<th>Small ports (qty/value)</th>
<th>Medium-sized ports (qty/value)</th>
<th>Large ports (qty/value)</th>
<th>Total (qty/value)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Qty</td>
<td>Value</td>
<td>Qty</td>
<td>Value</td>
</tr>
<tr>
<td>Region of Southern Denmark</td>
<td>66</td>
<td>45</td>
<td>3</td>
<td>50</td>
</tr>
<tr>
<td>Central Denmark Region</td>
<td>55</td>
<td>25</td>
<td>3</td>
<td>71</td>
</tr>
<tr>
<td>North Denmark Region</td>
<td>46</td>
<td>40</td>
<td>3</td>
<td>90</td>
</tr>
<tr>
<td>Region Zealand</td>
<td>66</td>
<td>56</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>Capital Region of Denmark</td>
<td>36</td>
<td>43</td>
<td>3</td>
<td>109</td>
</tr>
<tr>
<td>Unspecified</td>
<td>42</td>
<td>114</td>
<td>15</td>
<td>444</td>
</tr>
<tr>
<td>Total</td>
<td>311</td>
<td>322</td>
<td>28</td>
<td>776</td>
</tr>
</tbody>
</table>
Source: Danish AgriFish Agency

Note: Small ports have landed values of less than DKK 10 million, medium-sized ports have DKK 10–100 million, and large ports have DKK 100–1,000 million.

As Figure 25 shows, the biggest value by far is landed in North Denmark ports, whereas most small harbours are located in inner Danish waters. The challenges for small ports include the difficulty of upholding a volume that can maintain facilities for handling catches and servicing vessels.

Today there are six or seven fish auctions left in Denmark. The auctions are located in some of the most important fishing ports in the northern and western parts of Denmark. This localisation pattern can entail difficult distribution conditions for fishing vessels which land fish in other parts of Denmark.

Figure 25. Landed value for all Danish vessels, broken down by port, 2010

Source: National Institute of Aquatic Resources, Technical University of Denmark

Another structural challenge facing the fishery sector is the rising costs for producers, particularly for energy. This is due in part to the fact that the fishing fleet is largely made up of old vessels with high energy consumption and in part to fuel-price trends. Fuel prices have risen from index 100 in 2000 to index 210 in 2012, which is why fuel costs are assessed as comprising 36–37% of a vessel’s total operating costs on average in 2012.45

45 Department of Food and Resource Economics (IFRO), University of Copenhagen, 2012.
Research, development and innovation
There are already strong co-operative relations between fishermen, the aquaculture sector and researchers in Denmark, but there is still a need to tackle growth challenges in the fishery and aquaculture sector through innovative measures and by consolidating interaction between researchers and the sector. Such measures will focus on innovation within sustainability, gentle, climate-friendly fishery, and increasing the quality and value. Priority will be given to developing networks across industries, sectors and knowledge institutions capable of generating new thinking and innovation with a view to supporting the build-up of skill-sets and the development and encouragement of entrepreneurship.

Employment in fishery areas
Employment has declined throughout Denmark, but the FLAG areas46 have generally been harder hit than the rest of the country. The employment decline in FLAG areas was between 2.4% and 7.8% in 2009–2010, compared with the rest of Denmark where employment declined by 3.6% (see Table 4).

46 i.e. areas where Fishery Local Action Groups have been established.
Table 4. No. of employed and percentage change in employment, broken down by Fishery LAG, 2009–2010

<table>
<thead>
<tr>
<th>Fishery LAG</th>
<th>2009</th>
<th>2010</th>
<th>Change, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>109,129</td>
<td>103,482</td>
<td>-5.2</td>
</tr>
<tr>
<td>Central North</td>
<td>224,362</td>
<td>212,928</td>
<td>-5.1</td>
</tr>
<tr>
<td>West Jutland</td>
<td>250,630</td>
<td>236,854</td>
<td>-5.5</td>
</tr>
<tr>
<td>Funen</td>
<td>213,502</td>
<td>202,870</td>
<td>-5.0</td>
</tr>
<tr>
<td>Djursland</td>
<td>31,424</td>
<td>30,029</td>
<td>-4.4</td>
</tr>
<tr>
<td>Skive</td>
<td>23,985</td>
<td>22,123</td>
<td>-7.8</td>
</tr>
<tr>
<td>Tønder</td>
<td>18,241</td>
<td>17,599</td>
<td>-3.5</td>
</tr>
<tr>
<td>Haderslev</td>
<td>26,248</td>
<td>24,652</td>
<td>-6.1</td>
</tr>
<tr>
<td>Langeland</td>
<td>5,193</td>
<td>5,002</td>
<td>-3.7</td>
</tr>
<tr>
<td>Samso, Læsø, Ærø</td>
<td>5,074</td>
<td>4,882</td>
<td>-3.8</td>
</tr>
<tr>
<td>North-west Zealand</td>
<td>73,260</td>
<td>70,117</td>
<td>-4.3</td>
</tr>
<tr>
<td>South Zealand and Lolland–Falster</td>
<td>95,305</td>
<td>90,946</td>
<td>-4.6</td>
</tr>
<tr>
<td>Bornholm</td>
<td>18,127</td>
<td>17,567</td>
<td>-3.1</td>
</tr>
<tr>
<td>Halsnæs</td>
<td>9,746</td>
<td>9,045</td>
<td>-7.2</td>
</tr>
<tr>
<td>Slagelse</td>
<td>34,436</td>
<td>33,462</td>
<td>-2.8</td>
</tr>
<tr>
<td>Odder</td>
<td>7,641</td>
<td>7,459</td>
<td>-2.4</td>
</tr>
<tr>
<td>Stevns</td>
<td>6,278</td>
<td>5,975</td>
<td>-4.8</td>
</tr>
<tr>
<td>Rest of Denmark</td>
<td>1,326,339</td>
<td>1,564,993</td>
<td>-3.6</td>
</tr>
</tbody>
</table>

Source: Ministry of Housing, Urban and Rural Affairs.
Note: As the statistics are based on municipal borders, no statistics are available for the Small Islands’ Action Group, comprising 27 small islands.

The industrial structure shows that fishery areas are typified by a relatively high percentage of primary businesses, as well as construction enterprises, whereas service business are under-represented compared to municipalities with major urban areas. By virtue of their scenic value, however, and vast experience in providing accommodation facilities, traditional fishery areas are strong in terms of coastal tourism. There is also a need to develop tourism in the direction of new experiences and better adaptation to new target groups, however. In relation to other sectors in the energy and offshore industries, for instance, the west coast in particular has areas of strength that can be exploited for the diversification of the economy and for converting energy sources to new and renewable energy.
1.1.9. Growth challenges and opportunities for the agricultural sector and rural areas

Increased resource efficiency and sales of high-value products provide good opportunities for growth in the agricultural industry. Danish products with high world-market shares, such as pork and mink pelts, come from sectors belonging to a well-established cluster with organised, efficient communication of knowledge about new methods and technologies in the food chain. Denmark’s food industry is typified by an ability to manufacture foodstuffs of uniformly high quality with high food safety and traceability, as well as a unique veterinary response capability. This has made it possible for Denmark’s food industry to currently be very export-orientated and strongly represented in foreign markets. Quality, food safety and animal welfare will also be important drivers of higher exports moving forward.

In the light of the major environmental and climate challenges in the agricultural and food industries and the need for green conversion, the actions aimed at creating jobs in the sector will as far as possible also contribute to meeting environmental targets. The aim is to create jobs that can exist on market terms and which at the same time contribute to meeting environmental and climate objectives, i.e. green jobs.

The road to increased value creation and competitiveness for enterprises goes through development and innovation, including the use of new or modified cultivation methods, products and technologies which are cost-effective to put to use and can be used throughout the industry. At the same time, it is crucial for the new technologies to be developed in areas where they are most needed by enterprises and farmers, and for the new products to be based on consumer demand, e.g. for high-quality and organic products.

Challenges to growth in agriculture

For years, Danish agriculture has been under considerable financial pressure. Earning capacity in agriculture has generally declined over the past decade, productivity is at a standstill and competitiveness is under pressure. Earning capacity has declined because the ratio between selling prices and costs has declined and has not been offset by a corresponding productivity increase. Total factor productivity in agriculture has risen moderately by 6% in the period from 2005 to 2009–2011 (common context indicator No 27 for development in rural areas).

Labour productivity in the primary sector is significantly lower than in Denmark’s businesses as a whole. Labour productivity, measured by the gross value added (GVA) per employed person, was EUR 41,000 per person in the primary sector in 2012, which must be seen in relation to EUR 75,000 per person in the economy as a whole and EUR 89,000 per person in the secondary sector (common context indicator 12). In the years 2010–2012, labour productivity was EUR 54,000 per year per paid or unpaid employed person and EUR 73,000 per person in the food industry in 2010 (common context indicators 14 and 16).

High productivity is a prerequisite for competitiveness, particularly in a high-wage country. Danish agriculture and the food industry have previously been out-and-out leaders in terms of productivity,

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47 Analysis, Department of Food and Resource Economics, 2011.
48 Eurostat.
49 Eurostat.
50 Eurostat.
and the path for expanding Denmark’s food production is in the area where high-product sales converge with resource-efficient production processes. This development path imposes demands on training and not least, continuing education. In the short term, all other factors being equal, higher productivity will negatively affect employment, but in the long term it will consolidate agriculture’s earning capacity and thus contribute to maintaining or increasing employment.

One cause of insufficient productivity is the wearing down of the production apparatus. More investments are required to maintain production and productivity. The total gross investment in agriculture and horticulture declined by 49% to EUR 977 million from 2007 to 2011 (see Table 5). In the years 2009 to 2011, net investment in agriculture and horticulture was negative, with annual depreciation and write-downs exceeding annual investment.

Table 5. Investment in agriculture and horticulture, 2007–2012

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross investment</td>
<td>2,019</td>
<td>2,110</td>
<td>1,121</td>
<td>993</td>
<td>977</td>
<td>1,051</td>
</tr>
<tr>
<td>Net investment</td>
<td>815</td>
<td>831</td>
<td>-215</td>
<td>-346</td>
<td>-378</td>
<td>-314</td>
</tr>
</tbody>
</table>

Note: The population includes both full-time and part-time farms, i.e. all farms with total cultivated farmland of at least 5 ha or an agricultural production that as a minimum equates to this.
Source: Statistics Denmark.

Earning capacity has improved, however, starting with 2010, primarily due to better selling prices for grain in particular. On the other hand, high grain prices have increased feed costs for pork farmers in particular.

Table 6. Combined debt of the agricultural sector

<table>
<thead>
<tr>
<th>Agricultural sector debt, total, DKK billion</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>217</td>
<td>249</td>
<td>281</td>
<td>326</td>
<td>344</td>
<td>355</td>
<td>343</td>
<td>352</td>
</tr>
</tbody>
</table>

Source: Statistics Denmark.

The agricultural sector’s total debt increased by more than 60% in the period 2005–2012 (see Table 6) and its debt has more than tripled since the mid-1990s. As a result of the continued decline in the number of farms, the growth of debt per farm is even greater. The debt burden increase has led to higher interest expenditure in spite of a lower interest rate, which has further reduced the sector’s earnings.

The latest figures indicate, however, that growing agricultural debt is now replaced by stabilisation.51 One explanation is that change of ownership of heavily indebted farms has contributed to reducing the debt, because creditors suffer a loss, etc. Another contributory factor is the fact that the level of investment in agriculture is still low. Furthermore, agriculture’s ongoing earnings improved since 2010 (see Table 7) with a higher level of saving, thus reducing borrowing

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needs. The improvement is primarily due to better selling prices for agricultural commodities, particularly grain.\textsuperscript{52}

Table 7. Agricultural sector earning trend, measured by farm, 2006–2012

<table>
<thead>
<tr>
<th>Profit/loss after financial items (DKK '000)</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-sized farms (1–2 FTEs)</td>
<td>127</td>
<td>30</td>
<td>-104</td>
<td>-153</td>
<td>11</td>
<td>321</td>
<td>299</td>
</tr>
<tr>
<td>Large farms (&gt;2 FTEs)</td>
<td>376</td>
<td>-176</td>
<td>-963</td>
<td>-581</td>
<td>-143</td>
<td>771</td>
<td>808</td>
</tr>
</tbody>
</table>


Need for generational change in agriculture

The general increase of farm prices, coupled with relatively low equity and young farmers’ difficulty in qualifying for loans, has impeded the change of ownership for farms in Denmark for a number of years.

The average price of a farm has risen from DKK 2 million in 1990 to DKK 37 million 2010, and the price of farms – from the lowest level in 1993 to the highest level in 2008 – rose by no less than 362%.\textsuperscript{53}

The financing challenge for generational changes and access to the agricultural sector comprises in part the difficulty of obtaining financing where declining property prices since 2008, together with a high indebtedness ratio, have made it more difficult to implement projects, and this has also prompted a more long-term challenge of attracting capital to agriculture.

The challenge is reflected in the age distribution in agriculture. In 2010, farm managers (responsible for day-to-day operations) aged below 35 made up 5% of all farm managers and farm managers aged 55 or above made up 11%. The average age of owners of full-time farms in Denmark rose from 47 to 49 years from 2002 to 2011 and the percentage of farmers aged below 35, in relation to the percentage above 55, declined from 12% to 9% in the period 2009–2012 (see Table 8).

Table 8. Age distribution of farmers, 2009–2012

<table>
<thead>
<tr>
<th>Age, farmers</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio &lt;35 yrs / &gt;=55</td>
<td>0.12</td>
<td>0.11</td>
<td>0.10</td>
<td>0.09</td>
</tr>
<tr>
<td>Ratio &lt;40 yrs / &gt;=55</td>
<td>0.24</td>
<td>0.23</td>
<td>0.21</td>
<td>0.19</td>
</tr>
</tbody>
</table>

Source: Statistics Denmark.

Energy consumption in the agricultural and food processing sectors

Denmark has successfully improved its energy efficiency, while achieving economic growth at the same time. From 1990 to 2011, energy consumption in agriculture and forestry increased by 5.3%, but declined by 48.9% in the horticultural sector. In the same period, total energy consumption in the manufacturing sector declined by 14.3%.\textsuperscript{54}

\textsuperscript{52}Statistics Denmark, 2012.

\textsuperscript{53}Natur- og Landbrugskommissionen [Commission on Nature and Agriculture], 2012.

\textsuperscript{54}Energy statistics, 2011.
The picture is different for energy intensity, however. For agriculture and forestry, energy intensity declined by 49% from 1990 to 2010, whereas energy intensity in the manufacturing sector overall declined by 23.5% from 1990 to 2010 (see Figure 26). Energy intensity in the horticultural sector increased by 30% in the same period. One explanation might be that the value of horticultural products has declined during the period. Energy intensity must be low, but as it is a function of turnover, it is sensitive to price fluctuations and thus international business trends.

For quite some time now, the biggest energy-intensive food-production enterprises have used energy management to ensure focus on improving the energy efficiency of the production process. There is still deemed to be substantial energy-efficiency potential throughout the sector, particularly within energy-intensive forms of production.\textsuperscript{55} The horticulture sector is energy-intensive and is deemed to have the potential to reduce energy consumption by 30% compared to the present level. This will require, \textit{inter alia}, better climate management, insulation of the building envelope, using LED for growing lights, renovating greenhouses and the use of energy-efficient planning for the construction of new facilities and for collecting surplus energy and short-term storage.

With the national Growth Agreement of 24 April 2013, it was decided to substantially reduce energy charges for the sector with a view to improving its competitiveness internationally. Agriculture must therefore improve its energy efficiency using other measures such as energy utilities’ efficiency measures or through normal market-related mechanisms. Growers are expected to be covered by a special subsidy scheme for electricity-intensive enterprises where eligibility for subsidy is contingent on entering into an energy-efficiency agreement with the Danish Energy Agency.

\textsuperscript{55} Energy statistics, Danish Energy Agency.
Supplying non-food raw materials to a bio-based economy

Denmark is working to promote a bioeconomy agenda. Increasing prices for fossil-based raw materials and the wish to reduce climate impact will continue to generate an increasing demand for bio-based replacements. Agriculture and rural areas play a crucial role in developing the bioeconomy, as agriculture is responsible for an enormous share of biomass production, such as straw, livestock effluents, grass, bioenergy willow, etc.

The bioeconomy entails new commercial opportunities for agriculture and forestry. It is assessed that it is possible to increase the biomass harvest for non-food purposes in Denmark without negatively affecting food production or the environment. If the potential is exploited and the extra biomass is used in a Danish biorefinery sector, this could create new jobs in Denmark. As biomass is generally costly to transport (particularly if it has a high moisture content), part of future biomass processing will take place close to the production areas, which is presumed to have a positive impact on job creation in rural areas.

In addition, Denmark is a leader in several of the technologies included in the bioeconomy, such as pre-treatment of biomass, basic research in industrial biotechnology and biological catalysts that are included in the production of sustainable, bio-based products. A bioeconomy effort will help to implement the European Commission Strategy for Bioeconomy in Europe from February 2012 and national objectives in the area, cf. recommendations from the Danish Government’s Growth Plan for Water, Bio and Environmental Solutions, from March 2013.

Nature, climate and the environment

Generally speaking, the rural development programme is intended to promote the protection of the environment, the climate and natural resources, including to comply with the European Union Water Framework Directive, the Habitats Directive and the Birds Directive, and the reduction targets for greenhouse gases from the sector not included in the emissions trading system, and at the same time help to mitigate the financial impacts for affected farmers.

The measures should contribute to pursuing the Danish Government’s objective for Green Conversion, which includes sustainability, green economics, and tangible action to combat increasing pollution problems, scarcity of resources and climate change, including the Danish Government’s 40% reduction target by 2020.

To achieve the expected targets of the Water Framework Directive and the Natura 2000 directives, emissions of nutrients must be further reduced by means of an effort targeting wetlands and nature areas, and there is still a need for continuous nature conservancy measures, not least in the Natura 2000 habitats.

Climate

The Danish Government’s climate strategy pursues two tracks: climate adaptation and reduction of greenhouse gas emissions.

56 +10 mio. tons planen – muligheder for en øget dansk produktion af bæredygtig biomasse til bioraffinaderier [The Plus 10 Million Tonnes Plan: possibilities of increasing Denmark’s production of sustainable biomass for biorefineries], Aarhus University and the University of Copenhagen, 2012.
It is the Danish Government’s national target to reduce Denmark’s greenhouse gas emissions by 40% by 2020, compared to the level in 1990. The energy agreement of March 2012 is expected to significantly contribute to achieving this objective. The remaining reductions are expected to be gained by supplementary initiatives in sectors not included in the emission trading system, i.e. agriculture, transportation and housing.

The Danish Government has presented a gross catalogue of possible ways to reduce greenhouse gas emissions in the sector not included in the emission trading system that must be considered. Once this process is finished, climate legislation will be presented aimed at creating a specific framework within which to follow up on reduction measures and monitor them across sectors, to enable Denmark to meet its climate targets.

Agriculture and forestry have substantial potential in relation to preventing climate change. Danish agriculture is a significant source of greenhouse gas emissions, primarily methane (CH4) and laughing gas (N2O), but also CO2 (carbon dioxide) to a lesser extent. Methane is produced particularly by cattle and livestock effluent, whereas laughing gas is primarily formed by agriculture’s consumption of nitrogen in artificial fertiliser and livestock effluent. Carbon dioxide can either be stored in organic material or is emitted by the decomposition of organic material, and by the burning of fossil fuel. Agriculture’s biggest greenhouse gas emissions are methane and laughing gas, one of the reasons being that these greenhouse gases have a much stronger greenhouse effect than carbon dioxide.

In 2010, emissions from agriculture (only methane and laughing gas) comprised 16% of Denmark’s total greenhouse gas emissions, which is above the EU average.

Emissions of agriculture’s greenhouse gases are not covered by independent targeted greenhouse gas regulations. However, the aquatic environment plans’ restriction of nitrogen consumption, requirements for better use of nitrogen and catch crops, etc., have had a positive impact in terms of reducing emissions of laughing gas in particular. Improving the efficiency of dairy production has also reduced the climate impact per kg of milk produced. In addition, the longstanding effort to plant forests and other removal of farmland for nature purposes has had a sizeable climate effect.

Through the Gothenburg Protocol (1999), Denmark undertakes to reduce its emissions of ammonia from all sectors to 69,000 tonnes of NH3 no later than 2010. The reduction target has been achieved and the Gothenburg Protocol was re-negotiated in 2012. For Denmark, the stipulated obligation is a 24% reduction by 2020 compared to an emission level of 83,000 tonnes of ammonia in 2005.

Ammonia emissions primarily originate from livestock effluent. Emissions have declined by 36% since 1985, in spite of the fact that agriculture currently produces around 55% more meat and has not modified its dairy production. Compared to 1985, this equates to a 55% reduction of ammonia emissions per kg of meat produced. The reduction primarily took place in the pig sector, but the cattle sector has also contributed. The reduction is primarily the result of the regulatory measures implemented since 1987 in aquatic environment plans and the ammoniac action plan.

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57 Greenhouse gas emissions must be calculated at national level based on guidelines (GL) prepared by the UN Panel on Climate Change (IPCC). In 2006, the IPCC issued new GLs based on new knowledge, which for agriculture will change the emission factors used. These new GLs enter into force from the 2013 emission year. The new GLs mean that the greenhouse effect of laughing gas is slightly downgraded whereas the greenhouse effect of methane is upgraded.
An objective was included in the 2007–2013 EAFRD programme regarding combatting climate change, with an objective of increasing the production of renewable energy from forestry and agriculture. The programme’s effort to combat climate change was mostly indirect in nature. In addition to supporting the planting of woodland, investment support was granted for the establishment of slurry separation facilities and other types of technologies which made it possible to produce biogas based on pig and cattle slurry. The number of newly established facilities was modest, however, and it is uncertain whether the subsidy has been decisive for the investments. Climate-related effects are also achieved under the business development scheme for primary agriculture and the scheme for investment in environmental technology, where a series of projects contributed to reducing energy consumption and reduced use of nutrients.

The following needs are defined in the climate area:

- pursue goals to reduce greenhouse gas emissions by 40% in 2020 compared to 1990, including by reducing agriculture’s greenhouse gas emissions;
- develop and invest in new green technologies capable of helping to reduce greenhouse gas emissions from livestock production, including the handling of methane emissions from cows’ digestion and promoting the utilisation of livestock effluent for energy purposes;
- convert to extensive farming on organogenic soil, convert to organic farming and establish woodland on farmland;
- promote knowledge of how best to plan and organise agricultural production to reduce greenhouse gas emissions from the individual farm.

Nature
Generally speaking, the trend towards mechanisation, intensification and specialisation of agricultural production processes has meant that many ecosystems, with their nature and environmental assets, have been and continue to be pressured. In addition, agriculture continues to affect the natural environment with nitrogen, phosphorous and pesticides.

Thus, agricultural developments have been increasing the pressure on a number of natural habitats and species for decades. There are good examples of the opposite, but general developments show that a number of rare, vulnerable species continue to be under pressure, whereas more common and hardy plants have increased in number. Denmark’s flora and fauna have become increasingly uniform and fragmented.

With about 92% of farmland under the plough, Denmark’s agricultural area is highly and intensively cultivated. The farmland has changed in many ways. Fields have increased in size, and over the decades many of the old structures typifying farmland, i.e. boundaries, hedgerows, waterholes, etc., have been removed. Today, 1–3% of farmland is made up of small biotopes such as waterholes, hedgerows, ditches and burial mounds.

Declining numbers of cattle and other grazing livestock, and the poor operating economy in tending semi-cultural areas and other marginal agricultural areas has gradually decreased their number and subjected these areas to extensive farming. Whereas the lack of grazing livestock and extensive farming methods are a growing problem for nature conservation, nutrient contamination – which is still striking – is on the wane.
The use of pesticides in agriculture has been increasing for years in Denmark. Total sales of the active ingredients in pesticides increased from 2,841 tonnes in 2000 to 4,239 tonnes in 2011, and the treatment frequency index\(^{58}\) increased from 2.07 to 3.18 in the same period. In other words, the treatment frequency index and the consumption of pesticides increased by around 50% during the period. To supplement the treatment frequency index indicator, a new indicator has been introduced, known as the pesticide impact indicator. This indicator makes it possible to follow the extent of harm to the environment and human health caused by the growth of volumes of pesticide sold. During the period for which the indicator has been calculated (2007–2011), the impact has grown from 2.42 to 3.27, or 35%.

Overall, this growth caused the combined population of 22 of the most characteristic birds in farmland to decline by 36% since 1990. Other typical farmland animals, such as the hare, have also sharply declined in number since 1970.

Forests cover 14.1% of Denmark’s land area and are made up of 45% deciduous trees and 50% coniferous trees, while the rest of the forested areas is made up of roads, storage areas, etc. A large portion is production forest. Even so, forests contain much of Denmark’s diversity of species. Thus, at least half of the 30,000 species native to Denmark are affiliated with forested areas, which is also the habitat for more than half of the species on the list of endangered plants and animals (the red list).

Compared to undisturbed forests that have been untouched for a prolonged period of time, Denmark’s forests have only limited stands of large old trees and dead trees. Primary/natural forests make up about 7% of the forested areas of Denmark. The volume of dead wood in Danish forests is on average 5.4 m\(^3\)/ha, and about 70% of forested areas contain no dead wood. There are a number of forests in Denmark where this valuable biotope is not protected.

For years, the forested area in Denmark has been growing (see Figure 27), which, together with the increasingly greater prevalence of natural forestry operations in existing forests, has had a positive impact on a number of woodland species.

Forestry’s total production value increased in 2003–2011 and amounted to just under DKK 1 bn in 2011. The increase is primarily attributable to increasing production value of woodchip fuel, general hardwood timber and a slight increase in the production value of coniferous timber.\(^{59}\) There is a clear tendency for a small amount of the standing timber to be sold as constructional timber and a larger percentage to be sold as firewood, including as woodchip fuel and other sources of energy.

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\(^{58}\) The number of times farmers may on average treat the farmland with pesticides applied in standard doses and with the volume of pesticides sold during the year in question.

\(^{59}\) Statistics Denmark. The statistics are found in *Skove og Plantager 2012* [Forests and Plantations, 2012], Department of Geosciences and Natural Resource Management, University of Copenhagen.
Figure 27. Growth of forested areas in Denmark (1881–2012)

Permanent forestation, particularly with deciduous trees, is one of the best ways to protect the groundwater. Planting and replanting with deciduous forests and converting to nature-based forestry, where permanent woodland is strived for, promotes forests’ favourable conservation of the groundwater.

The volume of wood pulp produced that is not accumulated can be used as renewable energy. Forestry yields from early and intermediate thinning can be used for energy purposes, thus substituting fossil fuels. As a result, forests both store carbon and also reduce atmospheric carbon emissions by replacing fossil fuels.

In the 2007–2013 EAFRD programme, the following schemes contributed to the natural policy objectives: environmentally contingent support; conversion to organic farming; planting to improve landscapes and biotopes; nature and environmental projects; genetic plant resources; forestry schemes, eco-friendly and nature-friendly conservation of grassland; establishment of wetlands; and establishment of buffer strips.

The mid-term evaluation of the programme concluded that these schemes were relevant to the nature policy objectives and were attractive for applicants. They were relevant for and coherent with a range of various national policies in the areas of nature, environment and forestry, but
additional targeting of a number of the schemes towards more specific geographical localities, biotopes and species could be needed. As yet, the objective of maintaining farming operations with High Natural Value (HNV) under the 2007–2013 Rural Development Programme has not been evaluated. A large segment of the areas supported under the scheme for eco-friendly and nature-friendly conservation of grassland will be included under the HNV objective, which will retain 78,000 hectares of high natural value in agricultural operation in 2013.

The following lessons were also learned from the implementation:

- there were insufficient possibilities for providing an economic incentive to protect the biodiversity of farmland and woodland;
- the establishment of wetlands did not necessarily have an optimal effect on restoring and preserving biodiversity, as the focus was on the potential for retention of nitrogen;
- the use of an exemption from the condition of keeping areas in agricultural condition for receiving the payment under the single payment scheme of column 1 contributed to carrying out projects for the implementation of the Natura 2000 directives;
- there is a shortage of knowledge about good nature conservation in agriculture.

In the continued implementation of directives and plans, actions taken in the areas of nature, climate and the environment will have to be geographically targeted to a much higher degree. At the same time, it is important to give the agricultural sector, and the individual farmer, possibilities of living up to their responsibility for the conservation of nature and the environment, which must ensure that Denmark’s natural values are preserved and developed for posterity. More specific targeting of the measures for nature, climate and the environment must also help to differentiate the use of natural resources.

In this respect, a number of synergies can be achieved among the actions relating to nature, the environment and climate. The aim of actions in the area of nature and the environment can benefit from being organised to include climate considerations, which will improve the schemes’ cost effectiveness at the same time.

The following needs are defined in the nature area:

- continue the implementation of the Natura 2000 directives and the EU biodiversity objective for 2020;
- implement the national plans and maintain the same level of results of earlier plans, including the Danish Government’s vision of green conversion, nature plans, pesticide plan, and objectives for forested areas;
- contribute to achieving the EU climate objectives and complying with international obligations, including specifically Denmark’s reduction target in sectors not included in the emission trading system.

**Aquatic environment**

Denmark has 170,000 lakes and waterholes and 69,000 km of natural and artificial waterways. Many Danish lakes, waterways and coastal waters are naturally populated with an abundance of flora and fauna.

Through the EU Water Framework Directive, Denmark is under an obligation to ensure that waterways, lakes and coastal waters have a good ecological status no later than 2015. This means
that plants and animals must have good living conditions. The leaching of both nitrogen and phosphorous to the aquatic environment has sharply declined since the early 1990s.

Danish waterways have generally improved. In 2007, 51% of Denmark’s waterways were in good condition, compared to 42% in 2000. This favourable trend is due to gentler waterway maintenance and better waste-water treatment. More than half of Denmark’s waterways are in good or very good condition. At the same time, benthic fauna growth in the best fauna classes (5, 6 and 7) has increased from 20% in the early 1990s to 55% today. 60

Nonetheless, there continue to be many habitats for flora and fauna which have worsened in many waterways due to earlier realignment, culverting, harsh waterway maintenance, physical barriers, drying out due to water extraction, etc., and the discharge of waste water. In addition, the waterways transport nutrients leached from farmland, which affects the environmental condition of fjords and lakes downstream.

There is still a need to improve the physical conditions of waterways through measures such as restoration and the implementation of gentler maintenance techniques and improving water quality by restricting the discharge of waste water into the waterways.

Since the 1990s, the aquatic environment plans have helped to reduce the pollution of Danish lakes. For instance, the content of phosphorous and nitrogen declined by 40% and 11% respectively from 2000 to 2007. It is generally ascertained 60 that there is a markedly lower concentration of nitrogen and phosphorous in Danish lakes, increased water transparency, plants living in deeper water than in the early 1990s, and the algae content has also declined.

As the amount of phosphorous is an important factor for algae growth, the decline in phosphorous has increased the clarity and transparency of the water and thus improved the conditions for underwater vegetation which stabilises the lake bed and improves the oxygenation conditions. Furthermore, the ratio of predatory to non-predatory fish has improved, which helps to stabilise lake ecosystems.

However, pollution from agricultural nutrients and waste water still generates algal growth and a risk of oxygen-deficient conditions in the lakes – as well as fjords and coastal waters – to the detriment of plants, benthic fauna and fish.

The 2007–2013 EAFRD programme contained schemes that were primarily designed to improve the aquatic environment and thus the implementation of the Water Framework Directive, schemes for establishing wetlands, forests and buffer strips, environmentally contingent support and conversion to organic farming. According to the mid-term evaluation, the programme contributes to a certain extent to protecting water quality by reducing surplus nitrogen in the aquatic environment but not at a level equivalent to the targets. The action to reduce phosphorous emissions by means of voluntary agreements to establish uncultivated buffer strips is insignificant, as only a small percentage of the target is achieved through this. A subsequent scheme for area compensation for the imposition of buffer-strip requirements was introduced in 2012 but has yet to be evaluated. The

aim to reduce the use of pesticides was partly achieved, measured in terms of the dimensioned number of hectares with pesticide-free or almost pesticide-free farming.

The following lessons were learned from the implementation in the 2007–2013 period:
The schemes for establishing wetlands and forests on farmland in particular got off to a good start. The use was strengthened by the fact that it was possible to apply the Article 34 exemption under the first pillar of the CAP whereby recipients of area payment may uphold the lump sum payment for project areas that would not be able to be kept in agricultural condition, as they change their status due to the implementation of the Water Framework Directive and the Natura 2000 directives.

The inability to launch measures under the programme to reduce waterway maintenance or to restore waterways affected by adjacent farmland has been a weakness. Therefore, there is a need to continue the efforts of the previous EAFRD programme to implement the Water Framework Directive.

The following needs have been specified in the area of water and the environment:

- continue the implementation of the Water Framework Directive;
- implement the national plans and maintain the same level of results as earlier plans, including the Danish Government’s vision for green conversion, aquatic environment plans and pesticide plan;
- achieve the EU climate objectives and comply with international obligations, including specifically Denmark’s reduction target in sectors not included in the emission trading system.

Vocational training in agriculture and forestry
Vocational training programmes, which include the agricultural technician and forestry and conservation technician programmes, are organised within the ordinary educational system and take place as traineeships/apprenticeships at enterprises with available jobs for a trainee/apprentice.

Denmark’s vocational schools have experienced a declining number of applicants to vocational programmes. For years, vocational programmes have lost ground to upper secondary study programmes. The reasons for the decline include a shortage of traineeships/apprenticeships, adjustment/atmosphere problems, lack of knowledge about the vocational programmes, etc. However, the number of graduates of the farmer and farm superintendent study training programmes has remained at the same level since 2005. The same trend also applies to the forestry technician training programme.

Innovation
Denmark provides for the dissemination of knowledge from researchers and universities to authorities and the private sector through a series of agreements concerning the provision of research-based service to the authorities between the universities and the authorities. A number of advisory and funding bodies, including the Danish Council for Technology and Innovation and the Danish Council for Strategic Research, were established to launch initiatives to improve the conditions for research and innovation. This has resulted, inter alia, in the establishment of a non-profit association, Authorised Technological Service Institutes, which aims to ensure knowledge-sharing and collaboration between knowledge institutes and the business community.
In addition, the Green Development and Demonstration Programme is authorised to grant subsidy for development and demonstration projects and for research activities that lay the basis for carrying out development and demonstration. The purpose is to contribute to a competitive, sustainable food and non-food production process, including to help to develop commercial potential, growth, jobs, occupational safety and health and further development of a market-driven organic sector, while ensuring a high level within the protection of the climate, the environment and nature, animal welfare, food safety and health.

Denmark’s agricultural and food companies contribute to research and innovation through their sector organisations, including the Knowledge Centre for Pig Production and the Knowledge Centre for Agriculture. There is still unexploited potential where the interests of research and the food sector converge, e.g. in relation to closer collaboration between large and small enterprises where small enterprises/entrepreneurs can have good innovative ideas, but lack the experience to penetrate export markets.

Danish research has strengths within food research in general and within new technologies and fields of knowledge that are expected to be decisive for the development of a sustainable and bio-based society. These include sensor technology, biotechnology, pharmacology, nanotechnology, ICT and consumer behaviour.

**Agricultural exports**

Worldwide, the demand for food is expected to sharply increase leading up to 2050, which will also increase the export potential of Danish agriculture. The global middle class is expected to increase from almost two billion to five billion by 2030. This means that quality foods in particular will be in demand, as well as technology for resource-efficient food and agricultural production.

Generally speaking, an enormous share (80%) of the total volume of Denmark’s agricultural products are exported. Denmark’s total exports of agricultural products totalled DKK 119 billion in 2011, equivalent to 17% of Denmark’s total exports. Animal products account for the vast majority of agricultural exports, equivalent to 80–85% over the past decade. Frozen pork is the biggest single item, with total exports of DKK 20 billion in 2011.\(^{61}\)

Overall, Denmark’s agricultural and food exporters are renowned in export markets for products of high and uniform quality with a minimum content of residuals and Danish agriculture is renowned for its reliable inspection and traceability mechanisms throughout the entire chain. Going forward, these factors are also considered significant drivers for increasing exports. Animal welfare is one parameter that is expected to be an object of keener focus in the future. Food safety is an explicit driver, particularly in less developed markets, but on nearby, high-income markets, factors such as food safety are probably more implicit.

**Challenges to growth for the food industry**

Denmark’s food industry is characterised by great cohesiveness between the primary sector, processing and research. The cohesiveness lays the groundwork for a competitive, export-orientated food production process and provides a solid basis on which to move forward. To free up the food industry’s potential, there is a need to strengthen the framework conditions for development, production and marketing of foods characterised by high food safety, quality, environmental

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\(^{61}\) Natur- og Landbrugskommissionen [Commission on Nature and Agriculture], 2012.
considerations, animal welfare and organic certification. There is a need to diversify the range of food products to ensure better market prices. One way this can be done is by promoting the sector’s ability to base its marketing on higher standards of quality.

Organic farming production integrates several of these considerations, as the sector produces food products according to particularly high requirements for environmental protection, animal welfare, etc. Denmark has a national objective to increase the size of organically certified farmland, which requires further development of the organic production.

The Danish Government’s Growth Plan for Food includes a series of recommendations relating to boosting the food industry’s development potential. These include doing more to support entrepreneurs and small enterprises working with organic food products through the provision of advisory services relating to product development and marketing.

The mid-term evaluation of the 2007–2013 EAFRD programme assessed that the business development scheme for primary agriculture and for food-industry processing promoted the introduction of new technology and innovation-orientated investment behaviour at farms and food companies.

There is still a need:

- to boost innovation in the food sector with a view to green conversion, environmental sustainability and competitiveness;
- develop methods for better exploiting natural resources to be capable of producing “more with less” out of consideration for increasing scarcity of resources;
- to create better coherence between research, development, testing, demonstration and use in the agricultural and food industries;
- to develop new products and technologies in areas where the sector needs them the most and based on consumer demand.

1.1.10. Sustainability and resource efficiency in urban areas

By 2020, 80% of the EU’s population will live in cities or urban areas. Enterprises, infrastructure and capital will also be concentrated in the largest urban areas. In future, as most resource consumption and most greenhouse gas emissions in the EU will be taking place in urban areas, intervention to reduce greenhouse gas emissions in urban areas will be needed to have a good effect. The proposal for the EU’s 7th Environment Action Programme emphasises that the urban areas of the EU have central environmental problems in common and that these problems are worsening. This is also true of Denmark.

At the same time, urban areas are predominantly characterised by population growth – most pronounced in Copenhagen and Aarhus, where the population is expected to grow by 19% and 12% respectively over the next decade. Similarly, urban areas are frequently relatively vulnerable to environmental challenges, pollution and climate change. It is assessed that environmental technologies and methods constitute a significant market potential in the EU and for the rapidly growing urban areas all over the world.

Denmark’s energy consumption is largely concentrated around activities in Danish towns and cities. For this reason, the development of green, energy-efficient and resource-efficient (SMART) urban areas plays a crucial part in Denmark’s efforts to reduce emissions of greenhouse gases. The same is true to a larger extent in many rapidly growing cities all over the world.

The European Commission estimates that about 3.5 million European jobs already now contribute to the production of green technologies or products. The Commission expects that an additional 1.5 million green jobs can be created by 2020, through initiatives aiming to reduce emissions of greenhouse gases by 25%.

If technologies for solving urban environmental problems can be developed in Danish urban areas, this will create a pronounced market potential in relation to the sale of solutions in major cities and urban areas outside the EU. In places like India, China and Brazil, waste management, access to clean water, air pollution, etc., pose barriers to future growth, which is why there is great market potential for European enterprises which develop environmental technologies and smart urban solutions.

1.1.11. Transition regions: specifically concerning Region Zealand

In relation to actions under the ERDF and the ESF, Region Zealand will be designated a transition region in the 2014–2020 period, as Region Zealand had a per capita GDP (PPS) of 87.3% of the EU 27 average in the 2007–2009 period (see Figure 28). Transition regions comprise regions whose per capita GDP63 amounts to 75–90% of the EU 27 average.

Figure 28. GDP as a percentage of the EU 27 average (2000–2010)

![Graph showing GDP as a percentage of the EU 27 average (2000–2010)](image)

Note: PPS per capita as a percentage of the EU 27 average.
Source: Eurostat.

Regional differences in per capita GDP are also shown in Figure 29. The GDP level is highest by far in the Capital Region of Denmark and the lowest by far in Region Zealand, whereas the other three regions are at roughly the same level.

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63 According to Article 90(2) of the CPR that per capita GDP (PPS) is measured in the 2007–2009 period.
The difference in the two eastern Danish regions is due in part to the fact that many of the people living in Region Zealand have their workplace in the Capital Region of Denmark. These individuals have a positive impact on the per capita GDP in the Capital Region of Denmark but a negative impact on the per capita GDP in Region Zealand. This is because the added value (GDP) is calculated by place of employment, whereas the population is calculated by residence.

Calculations show that roughly half of the gap of Region Zealand and the Capital Region of Denmark between the national average for per capita GDP is attributable to commuting and therefore does not express a genuine difference in value creation. This is also expressed by the fact that both the Capital Region of Denmark and Region Zealand are significantly closer to the national average, when considering per capita earned income and disposable income. Both types of income are calculated at the place of residence, by contrast with GDP. Region Zealand has the second-highest per capita earned income and disposable income of the Danish regions.

Generally speaking, Region Zealand faces the same challenges as the other regions. For instance, unemployment in Region Zealand is on a par with the national average (almost 6% in March 2013). The start-up rate is slightly lower in Region Zealand (7.2%) than nationally (7.6%, 2010). The percentage of new enterprises which continue to exist over time is slightly higher in Region Zealand than at national level. This is true in both the short term (1 year) and slightly longer term. In addition, the percentage of innovative enterprises in Region Zealand (42%) is slightly lower than at national level (44%, most recent data year: 2011). The percentage who are expected to complete at least a youth education and tertiary education is lower than the national average. Finally, there are fewer individuals in the region aged 25–34 with at least a youth education and tertiary education.

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64 The opposite is true for the significantly lower number of people commuting in the opposite direction.

65 Regional calculations of per capita GDP must therefore be interpreted with caution.

66 See, e.g. *Regional konkurrenceevneredegørelse 2011* [Statement of Regional Competitiveness, 2011], Danish Enterprise and Construction Agency. The GDP per capita in the other three regions is only marginally influenced by commuting.
Region Zealand’s challenges to growth and the specific initiatives required to overcome them are not significantly different from the other regions. Thus, for several years now, the Capital Region of Denmark and Region Zealand have also collaborated closely on large-scale business policy ventures, including the joint funding of common projects, with resources from both the ERDF and ESF. Recently, these two regions and their municipalities (the municipal contact council for the Capital Region and the municipal contact council for Region Zealand) have joined forces to develop a focused agenda for growth and employment aimed at boosting all of the de facto Capital Region.

Like the other growth forums, Growth Forum Zealand aims to prepare contributions for a growth and development strategy, including contributions to actions targeting peripheral areas. Growth Forum Zealand is not required to focus particularly in terms of content on the business development action from 2014–2020, as the challenges in Region Zealand are generally assessed as corresponding with the challenges of other regions. As in other regions, the forum’s contribution to the growth and development strategy must be drawn up on the basis of a common analytical framework brought about by the regional council and the growth forum. This can bring focus to bear on Zealand’s challenges and reflect possible initiatives to counteract the challenges, and also be based on the ERDF and ESF programmes. Actions targeting peripheral areas must also address how Growth Forum Zealand will help to boost growth and job creation in the region’s peripheral areas. Seven of the 23 municipalities designated as peripheral areas in the 2014–2020 period are situated in Region Zealand (see also Section 3).

Against this backdrop, the ERDF and ESF programmes cover all five regions and thus build on the positive lessons learned from 2007–2013 with nationwide programmes. In this respect, an attempt is also made to avoid the limitations which a subdivided programme structure would unavoidably place on the interaction between Region Zealand and the Capital Region of Denmark, as well as the other regions. For instance, the selection of technically relevant partners available to projects would be geographically limited, making it more difficult to carry out collaborative transregional projects.

1.1.12. Territorial challenges and local differences
General developments in growth conditions in Denmark blur modest regional differences. Generally speaking, the regions follow the same trends during economic fluctuations and face many of the same challenges to growth. There are local differences within the regions, however. This means that some areas of Denmark face unique challenges, such as higher unemployment, stagnating or declining population, lower level of education and a larger percentage of the population outside the workforce. Several Danish islands in particular have several of these characteristics and, combined with more difficult transportation accessibility, this presents unique challenges for the areas’ enterprises and residents. But the picture has more subtleties, e.g. not all peripheral geographical areas have a high unemployment rate, just as there are municipalities near Copenhagen with high unemployment.

During the financial crisis, Denmark has lost many private-sector jobs, which has had a particularly hard impact on some rural areas and a few peripheral areas, as a number of industrial jobs are located here, among others. Business structure changes mean that rural areas are also facing a major transition and must find new roles to play in a globally orientated knowledge and service society. These developments mean that many individuals of working age are relocating to urban areas to pursue an education or find work. Some small towns and rural communities are experiencing a

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67 See also Section 3.1.
negative spiral where small towns are left with empty houses, and declining house prices, greater
distances to public services and poor housing rented to households with very low incomes.
However, there are towns – also in peripheral areas – capable of upholding a dynamic community
and which are not being abandoned. Even though the employment rate is falling more in a number
of rural areas than in urban areas, and the level of education is lower in some places, Denmark is
geographically a small country which makes it possible to live in rural areas and commute to jobs in
bigger towns.

One aim of the Danish Government is to promote job creation through ensuring and improving
Danish enterprises’ competitiveness and capacity to create value. Good framework conditions for
the business community must help to pave the way for growth, higher employment rates and higher
incomes, thus promoting social integration and combating poverty. Rural areas must, to an even
greater extent than previously, compete in terms of knowledge, inventiveness and creativity; new
products and business models must be created; and new market opportunities must be created. At
the same time, it is important to see growth in rural and urban areas in a cohesive context.

Agricultural production has especially poor conditions in certain areas of the country due to
structural and geographical factors. This is true of 27 small Danish islands without bridge links, as
well as the islands of Fanø, Læsø, Samsø and Ærø. The business economy of these islands is largely
dependent on a lively agricultural sector, and it is deemed crucial to continue to ensure farming
operations on these islands to avoid depopulation.

FLAG areas\(^\text{68}\) with large towns experienced population growth in the 2007–2012 period, like
Denmark on the whole. The population has declined on small islands like Langeland, Samsø, Læsø,
Ærø and Bornholm, however. The population of Langeland declined by 7.3% during the period,
whereas the population of the 27 small islands, covered by Småøernes Aktionsgruppe (Action
Group of Small Islands), declined by 7.6%\(^\text{69}\).

Population trends and age distribution are significant for local resources and can also affect
development possibilities. As Figure 30 shows, the average age in FLAG areas is relatively high
compared to the rest of Denmark. Similarly, individuals aged 17–49 are underrepresented in fishery
areas and individuals aged over 50 are overrepresented. By contrast, the number of children and
youths aged up to 16 largely corresponds to the rest of Denmark.

\(^{68}\) i.e. areas where Fishery Local Action Groups have been established.

\(^{69}\) Ministry of Housing, Urban and Rural Affairs.
The relatively high percentage of elderly in many fishery areas is also reflected in the fishery sector, where the average age of vessel owners with commercial fishery status was over 53 years in 2011; the average age has been increasing for years. In 2002, the average age was 46.5.

1.1.13. Macroregional strategies

Two macroregional strategies are relevant to the ESI Funds in Denmark, i.e. the North Sea Region Strategy (NSR 2020) and the EU Strategy for the Baltic Sea Region (EUSBSR). The two strategies largely have the same strategic focus, i.e. innovation, competitiveness, the environment and the climate. These are supplemented by other topics, such as maritime safety and security, interconnected transportation systems and mobility.

Regionally, there is a natural correlation in Denmark between geographical location and interests in the macroregional strategies. Region Zealand and the Capital Region of Denmark – including Bornholm and to a certain extent South Denmark – are also regions that have shown great interest in the strategy for the 2007–2013 programme period. Correspondingly, the North Denmark and Central Denmark regions are more orientated towards the North Sea Region.

NSR 2020 exemplifies how central players under the auspices of the North Sea Commission have formulated their own strategy for the North Sea Region, which should otherwise been seen in the context of the EU’s sea basin strategy for the North Sea. By contrast, the EU Baltic Sea Region Strategy is an official macroregional strategy. Therefore, the way in which this strategy will be incorporated into the implementation of the actions under the ESI Funds will be explained below. This will give an account of the substantive correlation between the national actions under the ESI Funds and the Baltic Sea Region Strategy in 2014–2020, and of the national coordination mechanisms to be initiated to ensure strategic and implementation-related continuity in practice.

Substantive correlation: The ESI Funds’ support of the action plan for the EUSBSR

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Figure 30. Age distribution in fishery areas compared with the rest of Denmark, 2001–2012

[Bar chart showing age distribution]

Source: Ministry of Housing, Urban and Rural Affairs.

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70 Registry of Individuals, Danish AgriFish Agency.
An action plan\textsuperscript{71} has been adopted for the EUSBSR containing the following objectives and sub-objectives:

1. Save the Sea
   - Clear water in the sea
   - Rich and healthy nature
   - Clean and safe shipping
   - Better cooperation

2. Connect the Region
   - Good transport conditions
   - Reliable energy markets
   - Connecting people in the region
   - Better cooperation in fighting cross-border crime

3. Increase Prosperity
   - EUSBSR as a frontrunner for deepening and fulfilling the single market
   - EUSBSR contributing to the implementation of the Europe 2020 Strategy
   - Improved global competitiveness of the Baltic Sea Region
   - Climate-change adaptation, risk prevention and management

As a country in the Baltic Sea Region, Denmark will support the implementation of the strategy by, \textit{inter alia}, the actions to be implemented under the ESI Funds. With their overarching focus on growth and competitiveness, the programmes under the four funds will support the two sub-objectives dealing with the implementation of the Europe 2020 Strategy and the competitiveness of the Baltic Sea Region.

To support projects’ possibilities of contributing to the realisation of the EUSBSR, the ERDF and ESF have opened up the possibility of supporting certain expenditure under projects of a transnational nature (see Section 3.1.4).

The tables below illustrate the nature of the expected contributions to the action plan of, first, the ESF programme and then the ERDF programme. This will be followed by a description of the intended contributions to the strategy by the EAFRD programme and the EMFF programme.

The tables show the overarching correlation between thematic objectives, targets and indicators in the programmes respectively and the action plan of the EUSBSR. Please refer to the programmes for a corresponding description of the correlation at investment priority level.

\begin{center}
\textbf{Correlation between the ESF programme and the EUSBSR action plan}
\end{center}

<table>
<thead>
<tr>
<th>ESF thematic objective</th>
<th>Sub-objective in the action plan</th>
<th>Result indicators, ESF programme</th>
<th>Indicators in the EUSBSR plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting sustainable high-quality jobs and</td>
<td>- Contribute to the implementation of Europe 2020</td>
<td>Number of new start-ups, new jobs, and</td>
<td>- Employment rate</td>
</tr>
</tbody>
</table>

\textsuperscript{71} European Commission, February 2013.
<table>
<thead>
<tr>
<th>supporting labour mobility</th>
<th>Improved competitiveness</th>
<th>positions matched with candidates</th>
<th>Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote social inclusion, combat poverty and any discrimination</td>
<td>Contribute to the implementation of Europe 2020</td>
<td>Number of participants who have completed a youth education, number of participants in socio-economic enterprises</td>
<td>Employment rate, Productivity</td>
</tr>
<tr>
<td>Investment in education, supplementary education and training, vocational education with a view to skills and lifelong learning</td>
<td>Contribute to the implementation of Europe 2020, Improved competitiveness</td>
<td>No. of participants engaged in an educational/training programme</td>
<td>Employment rate, Productivity</td>
</tr>
</tbody>
</table>

**Correlation between the ERDF programme and the EUSBSR action plan**

<table>
<thead>
<tr>
<th>ERDF thematic objective</th>
<th>Sub-objective in the action plan</th>
<th>Output indicators, ERDF programme</th>
<th>Indicators in the EUSBSR plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen research, technological development and innovation</td>
<td>Contribute to the implementation of Europe 2020, Improved competitiveness</td>
<td>Number of enterprises receiving support, Number of enterprises collaborating with research institutions, Private investment to match public support for innovation and R&amp;D projects</td>
<td>Employment rate, Productivity, R&amp;D expenditure, GDP growth</td>
</tr>
<tr>
<td>Strengthen SME competitiveness</td>
<td>Number of enterprises that develop concepts for new products or solutions</td>
<td>Number of cluster members that have taken part in collaboration projects dealing with innovation</td>
<td>Number of new cluster members</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>----------------------------</td>
</tr>
</tbody>
</table>
| Support the shift to low-carbon economy in all sectors | - Contribute to the implementation of Europe 2020  
- Improved competitiveness | Expected number of new high-growth enterprises  
Expected job creation in SMEs supported  
Expected turnover creation in SMEs supported | Employment rate  
Productivity  
GDP growth |

The output and results indicators specified in the above for the ESF and ERDF programmes were not selected with the EUSBSR in mind, but as they are in keeping with the indicators of the EUSBSR action plan, it will be possible to use them to measure whether and to what extent the projects help to implement the EUSBSR.
Denmark is responsible for coordinating four priority areas (energy, SMEs, clean shipping and maritime safety and security) under the EUSBSR. In these areas, ESF and ERDF actions could contribute to the EUSBSR to the extent that support is granted by the programmes for specific projects in the priority areas. For instance, this could be in the form of projects concerning innovative maritime solutions (PA Safe) under the ERDF programme; promoting entrepreneurship and growth-orientated boosting of SME skill-sets under the ESF programme (PA SME); or innovative energy solutions and improvement of SME energy and resource efficiency under the ERDF programme (PA Energy). The contribution will be apparent in the performance measurements of structural fund actions.

In practice, as part of the processing of the individual project under the ERDF and ESF programmes, the project will be assessed in terms of whether it contributes to the objectives and sub-objectives of the EUSBSR and thus must be designated as a special regional type for macro-regional collaboration areas, including the categorisation system specified in the regulation (territorial dimension).

Thus, separate funds will not be earmarked under the ERDF or ESF programmes for projects under the EUSBSR. Regional growth forums can choose to give higher priority to projects which support the EUSBSR, making it possible to specify and categorise the results of the regional strategic prioritisation of the Baltic Sea Region in the form of impacts of specific projects supporting the EUSBSR. It will be possible to do this as part of the annual reporting to the European Commission and in other situations.

The EAFRD programme will support the sub-objectives of clear water in the sea, rich and healthy nature and climate-change adaptation, as the programme includes objectives of protecting the environment and nature in Denmark by promoting environmentally sustainable agriculture and forestry production in general and in designated areas.

For instance, projects aimed at establishing and maintaining wetlands on farmland are expected to help to reduce the emission and leaching of nitrogen and phosphorous from agriculture to the aquatic environment and Denmark’s territorial waters. Projects for agriculture’s investment in new environmental technology for better water management, energy efficiency improvements, easier delivery of non-food raw materials to the bioeconomy and reducing greenhouse emissions will also contribute to achieving the strategy objectives. Similarly, area payments for converting to and maintaining organic farming with a reduced use of nitrogen, extensification of former, now drained wetland areas and organogenic farmland and the establishment of woodland on farmland are expected to have direct and indirect positive impacts on the aquatic environment and the climate.

The EMFF programme will particularly support the sub-objectives for clear water in the sea, rich and healthy nature and better collaboration, as the programme includes objectives to promote sustainable fishery and fish management based on ecosystems.

Within the strategy-based collaboration, Denmark has already actively contributed to the collaboration on fishery related topics in The Baltic Fisheries Forum (BALTFFISH), which is a very relevant forum for regional collaboration. Under the PA “AGRI” (previously action area 9), Denmark is responsible for a flagship project aimed at stopping discards in the Baltic Sea, including the drawing up of a proposal for implementing a discard ban in the Baltic Sea. The proposal is expected to be sent to the European Commission in early 2014, as a common recommendation.
aimed at laying the groundwork for the EU’s proposal to implement a discard ban in the Baltic Sea. As part of the introduction of the discard ban, it can be particularly relevant to have new common projects to illustrate the volume of extra fish landed and any possibilities of processing these extra fish for purposes other than human consumption.

As part of working on the strategy, Denmark has helped to draw up “best practices” relating to aquaculture and taken part in other fishery-related collaborations.

The regional BALTIFISH collaboration has developed positively and new fishery management initiatives will also be coordinated within this regional collaboration forum going forward. Denmark continues to lead the coordination of efforts to implement the decision to ban discards.

Actions under the EAFRD and EMFF programmes which contribute to the implementation of relevant sub-objectives of the EUSBSR will be monitored.

No separate resources under these programmes will be earmarked for projects under the EUSBSR, but it will be possible to specify the results of the prioritisation of actions under the programmes, in the form of impacts of specific projects supporting the EUSBSR. It will be possible to do this as part of the annual reporting to the European Commission.

Coordination mechanisms for the EUSBSR
The national point of contact for the EUSBSR is located in the Ministry of Foreign Affairs.

On behalf of the other Baltic Sea countries, Danish authorities are responsible for coordinating four priority areas of the strategy: energy (Danish Energy Agency); SMEs (Danish Business Authority), and clean shipping and maritime safety and security (Danish Maritime Authority).

The coordination mechanisms for 2014–2020 have yet to be described in detail. Generally speaking, a proposal with the following contents is expected to be discussed by Denmark’s Minister for European Affairs (under whose remit the national contact point belongs) and the Minister for Business and Growth (under which the managing authority for the structural funds and (co-)responsibility for three of the EUSBSR’s priority areas belongs):

- strategic collaboration with an overarching goal of supporting a green growth agenda in the Baltic Sea Region by supporting in particular contributions to meeting the EU’s climate targets and the objectives for employment and sustainable growth;
- formalised and practical collaboration on strategy and implementation at project level, where the most important partners are the Ministry of Foreign Affairs, including the Trade Council and the Ministry of Business and Growth, including the Danish Maritime Authority and the Danish Business Authority. Coordination with other speciality ministries and regional-level partners will take place on the basis of this platform.

Substantively, the priority-area coordinators will become involved in the partnership process already in the course of 2013 to prepare the ERDF and ESF programmes. In this context, areas were identified in which the programmes can make a particular contribution to the objectives under the EUSBSR, as reflected in the description of activities under the programmes’ priority axes. Insofar as the ESF is concerned, this could involve an educational action in the maritime area, e.g. within
the offshore sector. As far as the ERDF is concerned, this could be an action within innovation or improving the efficient use of energy and resources.

1.1.14. Transferring allocations between regions

Denmark’s total appropriations from the ERDF and the ESF in the 2014–2020 period are basically EUR 553.4 million (nominal terms), equivalent to a fixed-price reduction of 22% compared to 2007–2013.

The above general grant is allocated as EUR 326.5 million for the “Investment for growth and jobs” goal and EUR 226.9 million for the “European territorial co-operation” goal (ETC). Appropriations under the “Investment for growth and jobs” goal are allocated as EUR 71.4 million for transition regions (Region Zealand) and EUR 255.1 million for more developed regions (the rest of Denmark).

Based on the criteria laying the groundwork for the allocation of appropriations between the “Investment for growth and jobs” goal and the “European territorial co-operation” goal, the ratio will – insofar as Denmark is concerned – strikingly shift between these two goals in 2014–2020, compared with 2007–2013, from the “Investment for growth and jobs” goal to the “European territorial co-operation” goal. The basis of allocation means that the percentage for the “Investment for growth and jobs” goal is reduced by all of 44% in fixed prices, whereas the percentage for the “European territorial co-operation” goal is increased by around 83%. At the same time, Denmark’s share for European territorial co-operation is strikingly bigger than that of other Member States. Out of the total sum, it is proposed that roughly 41% of the combined funds for Denmark be used for European territorial co-operation. The average for the EU on the whole is around 3%.

This striking shift will affect the possibility for regional growth forums to support the implementation of the Europe 2020 strategy and the regional growth and development strategies by means of actions primarily within education/training, innovation and entrepreneurship, including in peripheral areas furthest from major urban areas and with a low per capita earned income. It is assessed that increasing the funding earmarked for ETC will hardly be able to offset this. The ETC action will in part primarily target activities in border areas; in part will have a strategic focus which differs from the action under the “Investment for growth and jobs” goal and in part will involve other players in both the decisions concerning the use of the funds and in the actual implementation of the projects. This will apply to education and training, for instance, which are given significantly higher priority in the programmes under the “Investment for growth and jobs” goal than in the programmes under the ETC goal.

With a view to securing critical mass required for the action for growth and jobs in Denmark and to ensure some continuity, Denmark wishes to transfer appropriations from the “European territorial cooperation” goal to the “Investment for growth and jobs” goal, cf. Article 94(2) and (3) of the CPR. The importance of avoiding abrupt changes in the distribution of appropriations in relation to the 2007–2013 period has also been cited by DG Regio in a letter dated 22 July 2013.

The lessons learned from the 2007–2013 period show that the nationally rooted projects under the objective of national competitiveness and jobs have generally generated good results, involving many SMEs, and have been focused on developments in peripheral areas.
In collaboration with the regions and Statistics Denmark, the managing authority has used registry data to study actual trends in the enterprises that took part in nationally rooted projects and compared these with a control group of enterprises to estimate the impact of the action. The impact measurements indicate that the nationally rooted action has contributed to creating many new jobs and has significantly increased private-sector turnover in all regions. Similar measurements of the impact of the ETC action are not available.

For the period 2014–2020, Denmark is submitting a request for EUR 86.7 million (nominal terms), with reference to Article 94(2), concerning a transfer from transnational programmes under the ETC goal. The appropriations are to be transferred both to more developed regions and transition regions and the transfer will be distributed according to population ratio.

After the transfer, there will still be more than 25% of the structural fund appropriations available for the ETC goal, seen over the entire 2014–2020 period. Therefore, Denmark will continue to be one of the European countries that uses the largest percentage of its ERDF and ESF appropriations on ETC and the percentage is strikingly above the EU average. After the transfer, Denmark will allocate EUR 140.1 million to ETC in the 2014–2020 period, by contrast with EUR 103.4 million in the 2007–2013 period.

After the transfer, there will basically be EUR 140.1 million available under the ETC goal and EUR 413.2 million available for the “Investment for growth and jobs” goal (see Table 9).

Table 9. Overview of request for transfer

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<tr>
<td>Total appropriations</td>
<td>43,916,708</td>
<td>44,795,939</td>
<td>45,692,645</td>
<td>46,607,109</td>
<td>47,539,848</td>
<td>48,491,221</td>
<td>49,461,547</td>
<td>326,505,017</td>
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<td>from the EU for the</td>
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<td>Investment for growth</td>
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<td>and jobs goal, exclusive</td>
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<td>European territorial</td>
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<td>co-operation goal,</td>
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<td>exclusive of transfer (2)</td>
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<tr>
<td>Proposal for possible</td>
<td>0</td>
<td>591,084</td>
<td>5,572,828</td>
<td>19,546,657</td>
<td>19,937,435</td>
<td>20,336,035</td>
<td>20,742,626</td>
<td>86,726,665</td>
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<td>transfer p.a. where the</td>
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<td>European territorial</td>
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<td>co-operation goal</td>
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<td>comprises 25% (3)</td>
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<tr>
<td>European territorial</td>
<td>11,252,596</td>
<td>15,839,232</td>
<td>17,890,703</td>
<td>23,086,442</td>
<td>23,548,325</td>
<td>24,019,440</td>
<td>24,499,959</td>
<td>140,136,697</td>
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<td>co-operation goal, p.a.</td>
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<td>after transfer (2–3)</td>
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<tr>
<td>&quot;Investment for growth</td>
<td>43,916,708</td>
<td>45,387,023</td>
<td>51,265,473</td>
<td>66,153,766</td>
<td>67,477,283</td>
<td>68,827,256</td>
<td>70,204,173</td>
<td>413,231,682</td>
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<td>and jobs” goal, total,</td>
<td></td>
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1.1.15. Summary: challenges to growth

Based on the socioeconomic analysis, it is possible to identify a number of challenges to growth in Denmark. In addition, a number of challenges have been identified in the areas of environmental protection, management of natural resources, adaptation to climate change and conversion to bioeconomy, etc. The ESI Funds are intended to help to address these challenges and support the measures which take place at the same time using national appropriations or by means of other EU-funded instruments.

However, the ESI Funds may not be used to address and overcome some of the challenges to growth and other challenges that have been identified. This is because the financial framework for the funds is smaller in the upcoming programme period than in the 2007–2013 period, which necessitates the prioritisation and focus of the actions, including in relation to the initiatives with the biggest impact. In addition, nationally funded initiatives or other EU-funded instruments could help to address the challenges concerned.

For instance, it is worth mentioning that funds are not expected to be used under the EAFRD programme for directly improving the financing possibilities for generational change or other change of farms in the agricultural sector, in spite of the challenges identified for the sector in this area, as this is not deemed to be an effective initiative. In addition, the Danish Government has taken several national initiatives for the purpose of improving agriculture’s access to financing (see the Danish Government’s Growth Plan for Food, comprising recommendations for a series of new financing initiatives for agriculture). 72

It should be noted, however, that the EAFRD programme will indirectly promote generational changes and farm-ownership changes in the agricultural sector, as the actions of the focus areas 2A and 5 B–D can indirectly contribute to improving the possibilities for financing a change of farm ownership.

The following are the most important challenges to growth, and other challenges, which the ESIF actions are intended to meet:

- to get more Danish enterprises to become innovative, including getting Danish enterprises to become better at using research and new technology;
- to increase the number of self-employed businesspeople, increase job creation in new start-ups and ensure that more enterprises can enter a dynamic growth process;
- to increase the number of highly-educated individuals employed by private-sector enterprises;
- to improve SME competitiveness by means, inter alia, of increased internationalisation, automation and digitisation, as well as better access to financing;
- to reduce greenhouse gas emissions by developing and applying new technology, including making a special effort to reduce greenhouse gas emissions in major towns and cities;
- to increase transnational labour mobility;
- to ensure that more individuals on the periphery of the labour market find employment;
- to increase the number of individuals who complete a qualifying education/training programme, including in particular a vocational training programme;

to improve competitiveness and promote continued structural adaptation and generational renewal in agriculture, *inter alia* by investing in new technology, including environmental technology, and improving the efficient use of resources;

- to promote the continuing sustainable administration of natural resources in agriculture and forestry, including the implementation of the Water Framework Directive and the Natura 2000 directives, and to promote animal welfare;

- to promote conversion to a bioeconomy, including renewable energy supplies;

- to adapt food production to changed tendencies in the demand for quality and organic products through innovative measures;

- to counteract the declining number of jobs and promote job creation and business development in rural areas;

- to strengthen the bonds between the primary sector and research and innovation;

- to boost the collection of data and knowledge, particularly in relation to the CFP requirement for ecosystem management and marine habitats in Natura 2000 areas;

- to boost efficient fishery control;

- to promote continued sustainable management of natural resources in fishery and aquaculture, including the protection of fish breeding areas and habitats by implementing the Marine Strategy Framework Directive, the Water Framework Directive and the Natura 2000 directives as they relate to the implementation of the common fisheries policy and taking account of the toughening competition for the use of marine areas;

- to mitigate fishery’s impact on marine environments, including to restrict incidental non-target catches and discard;

- to improve competitiveness within fishery and aquaculture, *inter alia* through innovation and investment in new technology and by improving the efficient use of resources;

- to contribute to the continuation of fishery-related activities in small fishery ports, at the same time that structural development concentrates activities at fewer major fishery ports.

- to contribute to aquaculture production growth by, *inter alia*, promoting environmentally efficient technologies aimed at reducing the environmental impact and financially optimising the production process.

The challenges identified – particularly in relation to growth, jobs, the environment and the climate – largely correspond to the challenges identified in the National Reform Programme, and on which the country specific recommendations are based. Based on the challenges specified, the thematic objects to which the ESI Funds are expected to be able to contribute are selected in Section 1.3.1.

### 1.1.16. Lessons learned from the 2007–2013 period

#### The ERDF and ESF programmes

Many of the challenges identified above have been challenging to Denmark for years. In the 2007–2013 period, the ERDF and ESF programmes also addressed the following issues:

- getting more Danish enterprises to become innovative, including getting Danish enterprises to become better at using research and new technology;

- increasing the number of self-employed businesspeople, increasing job creation in new start-ups and ensuring that more enterprises can enter a dynamic growth process;

- increasing the number of highly-educated individuals employed by private-sector enterprises;

- improving SME competitiveness;
• increasing the number of individuals who complete a qualifying education/training programme, including in particular vocational training.

In spite of the efforts already completed – both through national measures and with funding from the ERDF and ESF – there is undoubtedly a need to continue these efforts vis-à-vis the challenges concerned, in order to create growth and jobs throughout Denmark.

The actions scheduled for implementation under the new ERDF and ESF programmes are also largely based on the positive lessons learned in the 2007–2013 period. This applies, for instance, to the focused action that is instrumental in generating critical mass in the action under the funds and the focus on performance orientation and impact measurements.

The ERDF and ESF actions are both characterised by a keen focus on performance orientation. Thus, the actions scheduled for implementation under the individual funds have usually proved capable of generating noticeable results in previous projects. It is worth noting that the ERDF and ESF programmes in the 2014–2020 period have been made more rigorous in relation to 2007–2013, as a result of the requirement for thematic concentration. As shown in the above, the focus is largely brought to bear on the type of activity that has proven capable of having a positive impact on growth and employment.

According to the Thematic Evaluation concerning the 2007–2013 structural funds period, prepared by COWI in September 2009, the good innovation projects under the funds are based on well-founded reasoning and specific issues, and are keenly focused in their approach. In addition, good projects create clarity about the impacts. Also, they base their partnerships on “Triple Helix” or user-driven approaches to innovation, thereby creating new constellations capable of combining research and practical application, or where manufacturers and users join forces in the product development process. The good projects show that it is challenging to get private-sector enterprises to take part, and that the establishment of a good partnership is a demanding process. It is also challenging to bring together a wide variety of interests, values and personalities across the partnership, and this is quite demanding in terms of project management.

The lessons learned from the ERDF and ESF programmes in 2007–2013 also show that interaction between knowledge institutions and enterprises is an important source for increasing the number of innovative enterprises. Therefore, it is important to keep the door open with regard to supporting collaboration between enterprises and knowledge institutions in 2014–2020, including with a focus on involving enterprises.

Consultancy can help to boost SME growth and job creation. Also concerning priority axis 2 of the ERDF programme, a series of studies show that Danish enterprises need advice and mentoring in areas such as internationalisation, and there is great potential for growth in boosting the automation and digitisation of Danish enterprises. Accordingly, it will also be possible in the 2014–2020 period to support the purchase of consultancy for enterprises that are assessed, via screening, as having growth potential. The same applies to enterprises with the potential to improve their resource efficiency or energy efficiency. It will also be possible to support consultancy under the

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74 Evaluering af midtjyske programmer for iverksætteri og virksomhedsudvikling [Evaluation of Central Denmark Programmes for Entrepreneurship and Business Development], Iris Group, 2012.
ESF programme, as job creation in start-ups can be increased through consultancy or other support for entrepreneurs and prospective entrepreneurs.\textsuperscript{75}

The thematic evaluation of Denmark’s 2007–2013 structural fund actions\textsuperscript{76} indicates that enterprises can increase growth and job creation by obtaining skill-sets for management and employees based on the enterprises’ documented growth needs. Continuing education and training courses have turned out to have a positive impact, if these are business oriented or comprise tertiary adult education and continuing education.\textsuperscript{77} Seen in the light of job-creation and productivity challenges facing Danish enterprises, it will therefore be possible to support such actions. The demand for skilled and highly educated labour will increase in the years ahead. As the number of skilled workers is expected to decline in the years ahead, and the hiring of highly educated workers will have a positive impact on SME productivity, it is also important to continue to support these actions. Further details in this respect are also available in the operational programmes that explain in more detail how the lessons learned from the 2007–2013 period have qualified the actions for 2014–2020.

Roughly 20,000 private-sector enterprises and more than 60,000 individuals benefitted from the ERDF and ESF programmes in the 2007–2013 period.

**The EAFRD programme**

A mid-term evaluation of the 2007–2013 EAFRD programme was carried out in 2010. At the time, the evaluator assessed that, based on a comparison of the objectives set and achieved for the years 2007–2009, the programme generally contributed to satisfactory goal achievement. Thus, the food sector increased its net value creation and the agriculture and food sectors increased their labour productivity. Also, job creation was very satisfactory. However, the programme actions did not decisively contribute to improving the weak development of rural areas, but there were positive results.

As far as the environmental impact was concerned, excess nitrogen was satisfactorily reduced in relation to the targets set. The contribution to combating climate change by increasing the generation of renewable energy was indirect during the period. For instance, support was given to a limited number of slurry-separation systems and other types of technology that have enabled the production of biogas based on pig and cattle slurry. The action to reduce phosphorous emissions by means of cultivation-free buffer strips did not have a major impact either. The goal to reduce pesticides was achieved, as measured by the number of hectares committed to various forms of eco-friendly farming. Overall, the evaluator assessed that the results of the most significant schemes under the 2007–2013 programme were positive.

Further details are available in Section 1.1.9 where the lessons learned from the 2007–2013 programme period are explained in more detail in relation to the challenges to growth described.

In 2013, the Danish AgriFish Agency carried out a service check of the subsidy schemes under the 2007–2013 EAFRD programme with a view to simplifying and improving the 2014–2020 EAFRD

\textsuperscript{75} Mål, midler og effekter af strukturfondsindsatsen [Objectives, instruments and impact of the structural fund actions] thematic evaluation, Damvad, June 2013.

\textsuperscript{76} Thematic evaluation of Denmark 2007–2013 structural fund actions, LB Analyse.

\textsuperscript{77} Mål, midler og effekter af strukturfondsindsatsen [Objectives, instruments and impact of the structural fund actions] thematic evaluation, Damvad, June 2013.
programme. The service check charted the impacts, administration percentages and corrections risks of the individual subsidy schemes. Against this backdrop, fewer but bigger and broader schemes than in the previous EAFRD programme will be included. This principle will be applied to simplify the process, to improve the impact and to reduce the risk of corrections.

The EFF programme

In the midterm evaluation of the 2007–2013 EMFF programme, the evaluator concluded (2011) that the programme’s previous results had promoted the European Fisheries Fund and the common fisheries policy objectives for the sustainable development of the resources. The evaluator assessed that the programme had had a broad, effective involvement of the partnership, both during the preparation and the implementation of the programme.

Based on the recommendations of the evaluation, the following adaptations of the schemes were carried out:

- the aquaculture scheme has been adapted to take better account of new requirements issued by the Danish EPA for emissions, and a ceiling to limit the scope of particularly unusually large commitments has been imposed;
- in the annual report on programmes, data for axis 4 have been supplemented with data about new jobs;
- result indicators have been agreed with the Danish Nature Agency for actions targeting waterways.

In relation to the programme’s impact, the evaluator assessed that the programme has contributed to the following:

- improved energy efficiency in the fishery sector;
- better operating economy in the fishery sector;
- improved sustainability in the fishery sector, broadly speaking (capacity, quality, fuel consumption and occupational safety and health);
- enhanced developmental efforts within aquaculture;
- more cost-effective production and value creation in some segments of the aquaculture sector;
- better quality, occupational safety and health, traceability and hygiene in the aquaculture sector;
- general projects have helped to give rise to new products, certification, traceability and reduced environmental impact;
- stronger collaboration across the value chain.

As regards the new element for sustainable development in fishery areas (FLAG), the evaluator concluded that the scheme contributes to a wide range of activities of relevance to preserving and developing fishery areas, but that the action is dominated by projects which support new facilities and, to a lesser extent, business projects. It can be difficult to motivate applicants to apply for subsidy for business projects through the action group, as the relatively small budgets render the scheme’s investment subsidy less interesting. Even so, it is advisable to redouble efforts to increase

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the number of business-orientated projects by strengthening the working relations with relevant business partners.

In 2013, the Danish AgriFish Agency carried out a service check of the schemes in the 2007–2013 EFF programme. The service check involved the charting of the relevant schemes, an analysis of the schemes’ popularity, complexity, administrative costs, impact and simplification potential, as well as recommendations for how to simplify, modify or terminate schemes, in order to bring about savings through more flexible administration, reduced complexity, fewer violations, etc. Based on these factors, it is assessed whether a scheme will be terminated or continued. In addition, it will be considered whether corresponding objectives can be met through other more generally applicable schemes with greater volume.

1.2 A summary of the ex-ante evaluations of the programmes or key findings of the ex-ante evaluations of the Partnership Agreement where undertaken by the Member State at its own initiative

The Partnership Agreement has not been subjected to ex-ante evaluation by external evaluators. The following text comprises contributions from the external ex-ante evaluators insofar as the operational programmes are concerned.

The ex-ante evaluations for the ERDF and the ESF were drawn up in an interactive process with the ex-ante evaluators. As a result, drafts of operational programmes have been exchanged in an ongoing process, and an effort has been made to generally implement the recommendations of the evaluators (see below).

1.2.1 Summary of the ex-ante evaluation of the EAFRD programme

Introduction
This report contains an assessment of the draft for Denmark’s 2014–2020 EAFRD programme drawn up by the Danish AgriFish Agency (version dated 16 October 2013).

Assessment of context and need
The ex-ante evaluator assesses that the analysis of the food sector and rural areas in general is broad and comprehensive in scope and covers the entire territory and all relevant sectors and problems. It explains that Denmark’s territories comprise all of Denmark’s area, apart from areas around major cities and towns and that the rural areas generally face uniform challenges in terms of job creation, population retention, etc., but that the specific challenges and resources can vary from one area to another.

In the ex-ante evaluator’s overall assessment, the analysis constitutes an adequate basis for an assessment of needs, and the needs identified are clearly categorised in relation to the priorities of the EAFRD regulation.

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79 See the ex-ante evaluation of Denmark’s EAFRD programme, COWI, 2014.
It is also assessed that the analysis is generally based on a broadly applicable and relevant indicator basis. The baseline years for the individual indicators are explained, and the value of the individual indicators corresponds with the official available data. The reasons for not using five of the common context indicators are lacking, however.

It is apparent that it would be beneficial if the summary analysis and the analysis of cross-cutting contexts were explained in more detail and that the quality of SWOT could be further improved in terms of systematics and consistency. The evaluator assesses that such a tightening up of SWOT would boost the correlation between SWOT and an assessment of needs and thus clarify the basis for the programme’s strategy and objectives.

Based on the documents available, it is assessed that satisfactory consistency and coherence has been achieved between SWOT and an assessment of needs in relation to the Partnership Agreement, other EU programmes and direct agricultural subsidy (CAP, pillar 1).

The ex-ante evaluator’s recommendations have been accommodated by developing the SWOT text and revising the logic for the choice of measures in relation to the needs described and the priorities laid down in the EAFRD regulation.

**Appropriateness and the internal and external coherence of the programme**

It is generally assessed that the programme’s measures and intervention logic are relevant and balanced in relation to addressing the Europe 2020 objectives (i.e. promoting smart, sustainable and inclusive growth, innovation and easing pressure on the environment and climate) as well as national objectives (e.g. from the Commission on Nature and Agriculture, 2020 Organic Action Plan, etc.). There is no basis for quantifying the specific contributions, however.

The ex-ante evaluator noted that, in relation to the wording of the programme and the framework described for programme implementation, the process involves a broad, relevant circle of partners.

The programme contents are largely consistent with the draft Partnership Agreement, dated July 2013, containing a relatively general description of the EAFRD programme contents. As the draft Partnership Agreement has subsequently been revised, this involves a preliminary assessment.

The evaluator also assesses that the European Commission’s recommendations to Denmark, from November 2012, were a significant contribution for determining the objectives of the Partnership Agreement and thus contributed to the preparation of the EAFRD programme.

The EAFRD programme is largely aimed at farmers and the primary agricultural sector, i.e. farmers are expected to receive roughly 86% of the total support, which makes most of the programme measures unique to this programme.

The ex-ante evaluator assesses that especially in relation to the ERDF, there are obvious opportunities to select areas with coordinated actions relating to growth and innovation for enterprises in the food sector, and including interaction with knowledge institutions. In general, the ex-ante evaluator assesses that the programme’s objective hierarchy is logically coherent, so that it is likely that the activities specified will contribute to achieving the envisaged outputs and that these
will affect the specific objectives in the preferred direction which will entail an impact on the general objectives.

The evaluator generally assesses that subsidy is an effective, relevant form of support in relation to the measures chosen. The subsidy is bound to increase the incentive to enter into projects and activities involving extra costs or reduced income (typically area payments for farmers). Project subsidy can be an important driver for establishing development and cooperation activities between new players, and subsidy can make it possible to finance investment which promotes environmental technology, for example.

This very high support percentage for farmers harmonises with the high priority of environmental/natural factors and climate and development of the agricultural business. Thus, the way in which farms exploit their farmland is crucial for the impact on the environment, nature and climate, and at the same time it is an objective to create the prerequisites for an efficient and, at the same time, sustainable production process through development and investment in the primary agricultural sector.

The ex-ante evaluator notes that the budget for the EAFRD programme is not compared to the budget allocation of the other EU programmes.

Moreover, in relation to LEADER, the evaluator assesses that there is an adequate description of the establishment and organisation of the joint selection committee. The remit of the committee is readily apparent but not how the remit is expected to be implemented. In this respect, selection criteria and an explanation of the procedures used are lacking.

The ex-ante evaluator remarks that the entire process – from the establishment of EAFRD partnerships until LAG can be approved and have its development strategy approved – is not described with sufficient clarity, and in this respect a description of the criteria to be used in the two stages of the selection process are lacking.

A description of context and synergy with the LEADER action under the EMFF programme is also lacking.

The ex-ante evaluator’s recommendations have been accommodated by adding supplementary text about the principles and process of selecting potential geographic areas for the formation of local action groups under the EAFRD programme, including interaction with potential FLAGs under the EMFF programme.

**Measuring the programme’s progress and results**

The ex-ante evaluator remarks that the draft programme does not include disaggregated data or analyses covering the unique equal rights aspects, apart for the specified differences in the employment rate of men and women. Similarly, the programme does not include data about context indicators which reflect unique local or geographical factors. The reason for this choice could be that by European standards, Denmark is a relatively homogenous country without vast local/geographical differences and that the LEADER activities are planned so as to take account of local/geographical needs and differences.
Overall, it is assessed that the programme is generally based on a broadly applicable and relevant indicator basis. The ex-ante evaluator remarks that a detailed assessment of the calculation basis for the subsidy rates in administrations with area-based support for farmers and forest owners has not been carried out, which means there is no basis for assessing the quality of these rates. In addition, the monitoring system is not based on a thorough analysis and for this reason data needs and system requirements should be initiated.

The evaluator assesses that the existing data system needs to be improved to ensure easy data collection, structured data storage and easily accessible and systematic data extraction into Excel in conjunction with, for instance, data analysis, evaluations and reporting.

The evaluator assesses that the systems which will be used for registering, filing and managing statistical information about the programme’s implementation which enable punctual reporting are clearly described. The steps taken by the Danish AgriFish Agency to render the standard system BTAS capable of handling the specified requirements for controlling the regulatory basis have also been described.

The evaluator assesses that the Danish AgriFish Agency has clearly described how the agency will ensure that the weighting of the indicators will match the managing authority’s information needs. It is not apparent, however, whether the managing authority has any information needs besides those provided for by the indicators, and how, if so, these will be taken into account.

The extent to which there is continuity with other CSF evaluations and monitoring reports (e.g. annual implementation reports) is not explicitly apparent in the programme.

The evaluator notes that the milestones’ suitability for managing the programme has not been assessed, as values for the milestones have yet to be determined.

The ex-ante evaluator’s recommendations have been accommodated by introducing milestones and performance targets as prescribed by the European Commission. The managing authority has also included information about the need for data extracts and the requirements for IT subsidy administration systems deriving from this.

**Review of proposals for programme implementation**

The ex-ante evaluator assesses that, all things considered, the system for managing and controlling the programme is comprehensively described, i.e. there is a description of the authorities and entities involved and of the overarching division of tasks between them.

The programme would be strengthened if there were a more detailed description of the division of responsibilities and organisation of the cooperation between the three authorities involved in the programme implementation.

In addition, programme implementation would be strengthened if ongoing monitoring of progress were established at administrative level to monitor administrative challenges, interest in the measure, the quality of projects, deadweight and tempo in projects’ implementation, for the purpose of being able to make quick adjustments if this is required to ensure the desired outputs and results.
The ex-ante evaluator notes that it is not possible to provide a satisfactory assessment of whether the combined human and administrative resources are proportional and of sufficient quality in relation to the needs for programme management and submission of data.

The evaluator assesses that in general there are suitable plans for involving the public. The programme would be strengthened, however, if there was a timetable for the initiatives. There is a particular need to clarify and describe the timeline in relation to the establishment of the local action groups where it can be important to start the process relatively quickly as the LEADER method involves a certain timespan from the commencement of the process until specific activities can begin.

The ex-ante evaluator’s recommendations have been accommodated by introducing more information about the communication activities relating to the programme and an assessment of the human resources available.

Assessment of horizontal themes

The ex-ante evaluator assesses that equal rights and anti-discrimination have not received special focus in the programme preparations, including in the SWOT and needs analyses, and that for this reason the programme strategy does not target specific needs relating to equal rights or anti-discrimination.

The evaluator notes that an important objective of the programme is to promote business development and create new jobs, which the evaluator deems will promote equal opportunity for men and women as well as promote social inclusion.

The programme includes a crucial action relating to the improvement of the environment and nature and in relation to reducing climate impacts (see EU priorities 4 and 5).

1.2.1 Summary of the ex-ante evaluation of the EMFF programme

Awaiting the completion of the ex-ante evaluation.

1.2.2 Summary of the ex-ante evaluation of the ERDF programme

Ex-ante process and method

This report contains the final assessment of Denmark’s draft programme for the ERDF (national programme for the ERDF). The report is based on the final draft programme dated January 2014. As part of the preparation process, a public consultation process about the programme has been held, the results of which are reflected in the programme.

The ex-ante process has been characterised by the interplay of comments on the draft programme (including assessments and recommendations for specific topics) and meetings at which these have been discussed. The assessment criteria and method are based on ex-ante guidelines issued by the European Commission.

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81 See also the ex-ante evaluation of Denmark’s ERDF programme, COWI, January 2014.
The strategic environmental assessment (SEA) was carried out by a separate team of environmental experts and closely coordinated with the ex-ante evaluation. A public consultation about the strategic environmental assessment has been held. The public consultation did not give rise to changes concerning the strategic environmental assessment.

**Evaluation of the programme strategy, appropriateness and needs**

**Challenges and needs in relation to Europe 2020**

The ex-ante evaluator assesses that there is good continuity between the different analyses of the challenges in the Danish economy, including in the European Commission’s position paper and the analyses carried out in the Partnership Agreement. The evaluator also assesses that:

- there is general agreement about the most significant challenges: increased productivity, competitiveness and the labour supply, job creation and efficient use of energy and resources;

- there is a convergence between the conclusions of the above-mentioned analyses concerning possible actions;

- account has been taken of the siting: each growth forum can consider the region’s unique strengths, weaknesses and development needs.

The ex-ante evaluator generally assesses that the analysis covers the programme area and its needs, and forms the basis for selecting priorities and action areas. The recommendations of the ex-ante evaluator concerning description and line of reasoning in the background and rationale for the action areas chosen (innovation through cooperation, the description of the challenges associated with efficient use of energy and resources by SMEs, and sustainable green urban development) have been strengthened in the latest draft programme. The most significant needs and challenges relating to Europe 2020 are presented in the Partnership Agreement. The ex-ante evaluator assesses that these are well-reasoned and illustrated in the relevant documents.

The ex-ante evaluator’s recommendation that more recent data should be used has largely been followed. The figures for public-sector – and private-sector – investment in R&D have been updated. It is assessed that there is consistency between sources, analyses and choice of actions.

Based on the description of the preparations for the programme document for the ERDF (as well as the Partnership Agreement), it is assessed that the Partnership (relevant ministries, regional authorities, as well as representatives of management, labour, business organisations, etc.) has been involved at several stages of the programme-development process. The ex-ante evaluator has not taken part in this process, however, and for this reason the process can only be assessed on the basis of the description in the programme document.

**Alignment between programme objectives and challenges**

The programme document reviews each thematic objective and the investment priorities selected in the light of the challenges facing Denmark. It is generally assessed that the objectives are well-aligned with the investment priorities chosen.
The ex-ante evaluator notes that the European Commission guidelines for ex-ante monitoring and evaluation of the ERDF open up the possibility of specific objectives not having to be quantitatively measurable. The results for all priorities have now been made measurable by means of result indicators. The ex-ante evaluator notes that this can be difficult to determine accurately, and that it can be difficult to determine the extent of the contribution to a programme-specific action, in relation to the overarching Europe 2020 objectives.

It is generally assessed that the programme’s formulated objectives contribute to Europe 2020 and address national and regional challenges. It is assessed that the programme is highly consistent with the relevant policies and strategies, and that the programme contributes to Denmark’s objectives and actions. The programme complements in particular the Growth Plan for Denmark (the Danish Government’s growth plans for areas in which the Danish business community is internationally competitive), Denmark’s innovation strategy and the Green Conversion Package. This also includes the Strategy for Denmark’s Cluster Policy and networking actions.

It is generally assessed that the additionality principle is respected, as the regional funds are used to support existing Danish policies and strategies. It is assessed that the programme generally leads to action/projects that would not otherwise have been initiated to the same extent without EU assistance.

The Partnership Agreement refers to the evaluations of the existing programme which provide good indications of the new programme development process. A recommendation of the ex-ante evaluator to detail lessons learned in relation to types of action in the description of priority axes has been followed.

It is assessed that the programme is aligned with the regulation and the common strategic framework (Annex I of Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013). It is assessed that the breakdown complies with the regulation’s requirements, as 80% of the funds are allocated to three thematic objectives: 1, 3 and 4. In all, 20% is allocated to thematic objective 4.

Most of the funds are allocated to priority axes 1 (promotion of innovation) and 2 (promotion of SME competitiveness), as the need is deemed greatest in these areas. In addition, these priority axes include familiar activities where lessons have been learned in previous programmes and where the demand exists from the outset. Thus, fewer funds have been allocated to the new priority axes focusing on efficient use of resources. This is assessed as being a realistic strategy in accordance with the additionality principle, as substantial funds are allocated to green actions in other Danish initiatives.

The fixed milestones are scheduled for 2018, where 25% of the funds are expected to have been used and 25% of the objectives are expected to have been achieved. These figures are based on lessons learned from previous programmes and are deemed realistic, although conservative, by the ex-ante evaluator. Under priority axis 4 (sustainable urban development), implementation is expected to be faster, as the actions are based on a few pronounced rounds of applications.
Internal and external coherence of the programme

External coherence
The groundwork for synergy is laid in several areas between the actions under the ERDF and the ESF. The ESF contributes, *inter alia*, to accommodating enterprises’ need for growth-orientated skills enhancement in areas where an enterprise needs expertise, so that more knowledge in this area is brought out to the SMEs. In addition, entrepreneurs who are off to a good start in relation to the action under the ESF could benefit from the action under the ERDF for SMEs with growth potential.

Generally speaking, it is assessed that the programme complements the EU programmes COSME, LIFE and HORIZON 2020 by focusing on enterprise actions, whereas the EU programmes focus on the framework conditions for SMEs or transnational collaboration. The programme potentially contributes to EaSI, but there seems to be no convergence with projects eligible for financing under the New Entrants Reserve/NER300 programme.

The ERDF programme makes it possible for projects to be able to receive funding for collaboration within the framework of the EUSBSR. Specific models are proposed for how this can be done, in the event there is an interest in doing so by the project partners and growth forums.

With regard to external contexts and other factors’ influence on the programme, it is assessed that the way in which external factors could influence the programme’s results has not been explicitly explained. In the report, the ex-ante evaluator mentions how possible external factors could influence the results of the actions in conjunction with the assessment of the individual priorities.

Assessment of internal coherence and the intervention logic of the programme (the priority axes)
Overall, the ex-ante evaluator’s comments are largely adopted in the priority axes. The final version of the programme includes intervention logics illustrating the continuity between activities, outputs and results in the priority axes.

The ex-ante evaluator’s assessments of the four priority axes are that the changes which are to be created within the priorities are achievable using the planned activities. The ex-ante evaluator’s recommendations have been followed for the most part, and this has strengthened the description of action areas, etc. Priority axis 4 on sustainable urban areas is the most recently developed priority axis, and in the latest version of the programme it has been tightened up and strengthened in the relationship between objectives, activities and target groups.

The ex-ante evaluator originally indicated a need for an explicit presentation of the critical assumptions and prerequisites in the priority axes. The evaluator provided suggestions for how to address this, and the proposals are largely reflected in the programme. The ex-ante evaluator previously proposed that priority axis 4 would be stronger if it included a more detailed description of the potential for actions aimed at supporting sustainable urban development, which has now been included.

In several priorities, the choice of support forms is based on previous experiences, and this is now explicitly included in the description and line of reasoning for the selection of action area, forms of support and types. The ex-ante evaluator had recommended that previous experiences be included
wherever possible, particularly for priority axes 1, 2 and 3 (the latter in part). As priority axis 4 and parts of priority axis 3 are new (action areas focused on resource efficiency), previous experiences cannot be included, however.

A decision has been made to focus the action on SMEs in priority axes 1, 2 and 3, which is expected to generate clear synergy and complementarity within the action, planning and information about support options. Whereas priority axes 1 and 2 are focused on increasing the number of high-growth and innovative enterprises, priority axis 3 focuses on the quality/sustainability of SME production and growth. Thus, convergence within the target group can occur under the priorities. In terms of methodology, complementarity exists between priority axes 1 and 4, as both priorities focus on supporting development processes, and between priority axes 2 and 3, which focus on enterprise development in the action phases screening, consultancy and implementation.

It is generally assessed that the formal requirements for the cross-cutting principles equality between women and men, equal opportunity and anti-discrimination as well as sustainable development are met. As a result of the public consultation, the Danish Business Authority has brought particular focus to bear, under equal rights and disability, on projects targeting anti-discrimination and equal opportunity, including accessibility. These projects must take precedence during the project selection process.

**Indicators, monitoring and evaluation**

**Indicator relevance and clarity**

It is generally assessed that the result indicators depict overall the results expected from the interventions. The assessment of the proposed indicators is based on the RACER criteria. The indicators generally meet these criteria.

The output indicators (programme-specific and common output indicators) in the four priority axes reflect the changes resulting from the interventions. For instance, the number of supported enterprises will naturally be affected when support is granted to enterprises. As a new feature, the resource-efficiency indicator has been added to priority axes 3 and 4. The ex-ante evaluator approves of this as an interesting, ambitious initiative that will require the development of data collection by the programme authorities.

Monitoring values are set for all output indicators. For the result indicators, baselines are only set up in keeping with the European Commission guidelines. The ex-ante evaluator has assessed and adopted the monitoring values for all output indicators and has helped to develop these monitoring values particularly for priority axis 3 and in part for priority axis 4. These are deemed realistic and achievable. As regards the resource-efficiency indicators in priority axes 3 and 4, the ex-ante evaluator points out the uncertainties that will arise from insufficient experience, and recommends meticulous follow-up on and possible adjustment of these during the programme.

**Control, data sources and data quality have been considered in the programme**

Data sources are set up for both the results and the output indicators in the programme document. In most cases, the source of data for the result indicators is Statistics Denmark. The output indicators must be measured and reported on by the beneficiary and/or the project participants. It is
recommended that a set of standard templates/guidelines be developed for the measurement to strengthen this type of data collection.

Evaluations should not be carried out solely on the basis of registry data. The importance of generating data that can be used in evaluation contexts during the period and for qualifying the use of registry data is emphasised by the ex-ante evaluator. For instance, registry data can suffer from the fact that enterprises’ turnover, which is a common analysis variable in terms of impact, is combined with many factors other than those affected by the enterprises’ participation in the project. The effects can be rendered clearer by means of counterfactual evaluations, for instance.

The ex-ante evaluator assesses that the implementation mechanisms proposed are acceptable. A large volume of experiential data has been collected in the system and should preferably ensure the efficient implementation of the programme. Institutions taking part in programme implementation and monitoring at national and regional level have extensive knowledge and experience of implementing programmes.

In relation to reducing administrative burdens, it is assessed that initiatives are already under way to reduce administrative burdens. A clear timetable has also been presented for when the development of these initiatives must be completed and they must be ready for implementation.

**Contributions to Europe 2020**

The programme is assessed as contributing to the following flagship initiatives in particular: ‘Innovation Union’, ‘A digital agenda for Europe’, ‘Resource-efficient Europe’, and ‘An industrial policy for the globalisation era’. Through its general contribution to regional development, the programme indirectly contributes to the objective on territorial cohesion contained in the flagship initiative ‘European platform against poverty and social exclusion’.

The ex-ante evaluator generally assesses that the programme contributes to Denmark’s Europe 2020 objectives on R&D (through priority axes 1, 3 and 4), job creation (through priority axes 1, 2 and 3), and climate and energy (through priority axes 3 and 4).

**Strategic environmental assessment**

The basic assessment is that the implementation of the action areas under the programme will support the national environmental objectives, primarily through optimisation of resources and energy in enterprises and major urban areas. As the programme is not assumed to have any significant negative environmental impacts, there is no apparent reason to prepare or implement a monitoring programme. An eight-week public consultation concerning the environmental assessment has been held, along with the draft programme, from 9 July 2013 to 3 September 2013.

**1.2.4 Summary of the ex-ante evaluation of the ESF programme**

**Ex-ante process and method**

This report includes an evaluation of Denmark’s draft programme for the ESF (National Programme for the European Social Fund).

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82 See also the ex-ante evaluation of Denmark’s ESF programme, COWI, January 2014.
The ex-ante process has been characterised by the interplay of comments on the draft programme (including assessments and recommendations for specific topics) and meetings at which these have been discussed. The assessment criteria and method are based on ex-ante guidelines issued by the European Commission.

The need for a strategic environmental assessment (SEA) was screened as part of the combined ex-ante evaluation. The screening was carried out by a separate team of environmental experts and was closely coordinated with the ex-ante evaluation itself.

**Evaluation of the programme strategy, appropriateness and needs**

**Challenges and needs relating to Europe 2020**

The ex-ante evaluator assesses that there is good continuity between the different analyses of the challenges in the Danish economy for other programmes, including in the European Commission’s position paper and the analyses carried out in the Partnership Agreement. The evaluator also assesses that:

- there is general agreement about the most important challenges to the Danish economy: increased productivity, improved competitiveness and higher supply of labour and qualifications, and the efficient use of energy and resources;

- account has been taken of the siting: each region can consider the region’s unique strengths, weaknesses and development needs. However, the evaluator has recommended that the Danish Business Authority be aware of the fact that consideration for siting on the one hand and taking account of the fact that the programmes must be capable of accommodating changed economic conditions on the other do not impair taking account of the impact.

The evaluator has indicated specific needs for clarification and explanations/changes of the analysis of national and regional challenges to growth, which have largely been adopted. Among other things, the evaluator has recommended that, in keeping with the European Commission’s position paper, focus be brought to bear on groups with a low level of education, non-European citizens, young people and the elderly, as well as individuals with reduced ability to function in conjunction with the describing of the need to increase the labour supply through increased social inclusion. This recommendation has been followed.

Moreover, the evaluator has recommended that in the description of national and regional challenges, keener focus be brought to bear on the consequences of demographic trends on the labour supply and skill-sets, as well as the consequences of some of the policy decisions taken in 2013 of significance to the supply (early retirement reform), and the demand for labour in the years ahead (infrastructure investments, Growth Plan for Denmark, etc.). The Danish Business Authority has argued in favour of having the programme provide a framework within which to follow up on policy decisions, including to contribute by upgrading the labour-market skills required as part of the many infrastructure investments planned for the years ahead, for instance. The evaluator is satisfied with this.

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The evaluator has also indicated a number of specific areas in need of further clarification about the challenges to growth, which has also been accommodated.

The ex-ante evaluator generally assesses that the socioeconomic analysis satisfactorily depicts national and regional needs and challenges present in relation to the programme objectives for promoting entrepreneurship and job creation, transnational labour mobility, inclusion through education, and employment and education/training. The evaluator also finds that the programme is well-written and notes that the most relevant aspects of the evaluator’s comments have been incorporated into the programme description.

The evaluator assesses that there is a general need for consistency between sources and analysis, apart from the wish for keener focus on demographic trends. At the same time, the sources which have been included in the analysis of regional and national challenges to growth are illustrated more clearly.

Based on the description of the preparations for the operational programme (OP) for the ESF (as well as the Partnership Agreement), it is assessed that the Partnership (relevant ministries, regional authorities, as well as representatives of management, labour, and business organisations) has been involved at several stages of the programme-development process. The ex-ante evaluator has not taken part in this process, however, and for this reason the process can only be assessed on the basis of the description in the programme document.

**Alignment between programme objectives and challenges**

The reasons for the choice of the programme’s investment priorities are given in the Partnership Agreement. The programme reviews each thematic objective, and which investment priorities have been selected in the light of the challenges facing Denmark. It is assessed that the correlation with the operational programme is satisfactory. The evaluator has recommended that the descriptions of the challenges and intervention logics be further clarified, including documentation of the probability of the proposed interventions leading to the presumed changes. The evaluator has specifically requested that the Danish Business Authority be able to provide evidence of how the proposed actions will create the change wished for. This recommendation has been accommodated by referring to lessons learned in the previous programme period and/or lessons learned from other similar measures.

As an argument for providing support to viable socioeconomic enterprise initiatives as a means to support the aim of increasing employment for individuals on the periphery of the labour market, there are apparently good examples of how socioeconomic enterprises have been particularly successful at motivating and upgrading the skill-sets of, for instance, young people and psychologically vulnerable target groups to increase their participation in the labour market. The specific size of the employment effect is not provided, however. Instead, reference is made to the recommendation report of the Committee for Socioeconomic Enterprises.

The evaluator generally assesses that the national 2020 objectives are SMART. The programme objectives are not measurable in themselves (as this is not required in the Commission guidelines), but they indicate the direction. The measurability is found in the result indicators, which meet the requirements and reflect the direction.
It is generally assessed that the programme’s formulated objectives contribute to Europe 2020 and also address national and regional challenges. Denmark’s objectives are aligned with the Europe 2020 objectives. There is thematic convergence between the programme and the relevant policies and strategies, and in this way, the programme contributes to Denmark’s national objectives and actions. The programme particularly complements the actions targeting young people and the unemployed (including the “Agreement on strengthened efforts for young people”, the “Agreement on a strengthened effort for young unemployed” and the “Agreement on better conditions for the unemployed”) as well as Denmark’s strategy for lifelong learning. In addition, there is consistency with the agreement concerning a reform of the cash-benefits system and the agreement to reform disability retirement and flexi-jobs.

It is generally assessed that the additionality principle has been respected, as ESF resources are used to complement and contribute to existing Danish policies and strategies, including new reforms in the areas of cash benefits, disability retirement, etc. There is also deemed to be thematic convergence between the programme and the relevant policies and strategies, and in this way, the programme contributes to Denmark’s national objectives and actions.

Specifically, it is assessed that, inter alia, priority axis 3 (social inclusion) contributes to the actions within the framework of the “Agreement on a reform of the cash-benefits system” and the “Agreement on a reform of the disability retirement and flexi-job scheme” vis-à-vis individuals with weak or no affiliation with the labour market, including individuals receiving cash benefits and the unemployed with complex problems. It is also assessed that priority axis 4 contributes to “Denmark’s strategy for lifelong learning” in the area of vocational training and qualifying continuing-education programmes. Finally, it is assessed that priority axis 4 thematically converges with the “Agreement on better conditions for the unemployed” within skills upgrades, with reservation for the fact that priority 4 only secondarily targets the unemployed.

The Partnership Agreement and the programme refer to previous evaluations and point out some new landmarks for the new programme development process. Previous lessons learned are largely used to develop the indicators and particularly to set target figures for the indicators (for the actions comparable to previous actions).

It is assessed that the programme is aligned with the regulation and the common strategic framework (Annex I of Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013).

**Internal and external coherence of the programme**

**External coherence**

The groundwork for synergy is laid in several areas between the actions under the ESF and the ERDF. The ESF contributes, inter alia, to accommodating enterprises’ need for growth-orientated skills enhancement in areas where enterprises need expertise, so that more knowledge in this area is brought out to the SMEs. In addition, entrepreneurs who are off to a good start in relation to the action under the ESF will be able to benefit from the action under the ERDF action area for SMEs with growth potential.
In addition, the ex-ante evaluator assesses that the programme is aligned with and contributes to the following EU programmes: "Programme for Employment and Social Innovation (EaSI)" and “COSME” by focusing on the promotion of entrepreneurship in general and socioeconomic entrepreneurship. It is assessed that there is thematic convergence with “Erasmus for everyone” in relation to focusing on vocational education and training and continuing and adult education.

The ESF programme makes it possible for projects to be able to receive funding for collaboration projects within the framework of the EUSBSR. Specific models are proposed for how this can be done, in the event that there is an interest in doing so by the project partners and growth forums.

The attention given to external factors primarily comprises ensuring that the programme is robust in relation to being able to accommodate fluctuating economic trends during the programme period, and that it is additional in relation to existing laws and regional and local initiatives, including the new reforms in the areas of cash benefits and disability retirement.

Assessment of internal contexts and the programme’s (the priority axes’) intervention logic

The ex-ante evaluator’s recommendations that the descriptions of consistency/coherence be strengthened have been adopted and incorporated into the description of the priority axes. This means that it is rendered more probable that the activities’ output will contribute to the results and impacts described in the intervention logic.

The ex-ante evaluator originally indicated a need for an explicit presentation of the critical assumptions and prerequisites in the programme’s priority axes. It is assessed that the previous comments concerning a lack of critical assumptions and insufficient identification of needs for the actions have been accommodated.

In several of the priorities, the action areas chosen are based on previous lessons learned, and these are now explicitly included in the description and the line of reasoning for the selection of action area, forms of support and types. In other words, the evaluator’s recommendations in these areas have been accommodated.

The synergy between the individual priority axes arises from the fact that in different ways all the priority axes support increased job creation and growth. At the same time, the action areas of the various priority axes are characterised by either targeting the demand or the supply, which is why it is likely that, all other factors being equal, synergy will be generated between the actions.

It is generally assessed that the formal requirements for the cross-cutting principles equality between women and men, equal opportunity and anti-discrimination as well as sustainable development are met. As a result of the public consultation, the Danish Business Authority has brought particular focus to bear, under equal rights and disability, on projects targeting anti-discrimination and equal opportunity, including accessibility. These projects must take precedence during the project selection process.

In relation to reducing administrative burdens, it is assessed that initiatives are already under way to reduce administrative burdens. A clear timetable has also been presented for when the development of these initiatives must be completed and they must be ready for implementation.
Offhand, it is assessed that the distribution of resources conforms to the lessons learned and is the best possible at the present time. The distribution also meets the regulation’s requirements. It is generally assessed that the results and outputs are attainable with the resources earmarked for this. The ex-ante evaluator had drawn attention to a few areas where the results were assessed with excessive optimism or pessimism. In the final version of the programme, these have been adapted to the ex-ante evaluator’s proposals.

Milestones for 2018 have been fixed and target fulfilment is assumed to be around 35% at that time, which indicates that a long start-up phase is expected. This reflects the lessons learned from the current programme period.

**Indicators, monitoring and evaluation**

**Indicator appropriateness and clarity**
Overall, the results indicators show the expected results of the interventions. The assessment of the proposed indicators is based on the RACER criteria.

It is usually difficult to determine true and fair target figures, and for this reason the evaluator specifically urges that the target figures be changed once a better knowledge and experiential basis has been obtained for determining the final target figures. In the light of the basic knowledge existing today, the evaluator assesses that the existing output indicators are reasonable as a starting point. In this respect, the evaluator approves the fact that this has been established on the basis of existing experiences – even if the experiential base is not particularly extensive in all instances. Data sources, data quality and controls have been considered in the programme.

As part of the results orientation, the civil ID numbers of the participants will be registered and linked to Statistics Denmark’s registries to make it possible to monitor actual developments in employment, educational level, etc. The advantages of using registry data include the fact that the data are factual and they make it possible to compare the results across the projects and to monitor the participants after the project has ended. However, some registry data take longer to compile, which can cause problems relating to measuring the impact of actions launched in the second half of the programme period. Therefore, the evaluator approves that the Danish Business Authority will use start-up forms and termination forms, while the evaluator recommends at the same time that these be standardised as much as possible to make it possible to aggregate data.

The ex-ante evaluator assesses that the mechanisms proposed are acceptable. A large volume of experiential data has been collected in the system and should preferably ensure an efficient implementation of the programme. Institutions taking part in programme implementation and monitoring at national and regional level have extensive knowledge and experience of implementing programmes.

**Contributions to Europe 2020**

The programme is assessed as contributing to the following flagship initiatives in particular: “Youth on the move”, “An agenda for new skills and jobs”, “European platform against poverty” and, to some extent, “Innovation Union”. Particularly priority axes 3 and 4 are assessed as contributing to the flagship initiatives referred to, whereas priority axes 1 and 2 contribute to specific actions under a few flagship initiatives.
Generally speaking, the ex-ante evaluator assesses that the programme contributes to Denmark’s Europe 2020 objectives relating to employment (directly through priority axes 1 and 2, and indirectly through priority axes 3 and 4), social inclusion (directly through priority axis 3, indirectly through priority axes 2 and 4) and education/training through the action (under priority axis 4).

**SME screening**

The screening assessed that the programme, both as the whole and in terms of the individual thematic objectives and investment priorities falls outside the law’s definition of programmes that should be subject to an environmental assessment. The actions proposed are characterised by the fact that they will not lead to physical environmental impacts through construction activities and the like. Moreover, it is not possible to grant aid to capital investment. Therefore, it was assessed that it will not be possible for the programme to lay down a framework for future construction permits for projects that can have substantial environmental impact, cf. Section 3(1)(i) and (iii) of the Act, and for this reason a strategic environmental assessment is not required.

### 1.3. Selected thematic objectives and for each of the selected thematic objectives a summary of the main results expected for each of the ESI Funds

#### 1.3.1. Selected thematic objectives: interplay between the four ESI Funds

The ESI Funds make it possible to address a number of the most significant challenges to growth in relation to the implementation of the Europe 2020 Strategy and the challenges identified in the national reform programme and the country specific recommendations. In addition, the funds contribute to the implementation of the common agricultural policy (CAP) and the common fisheries policy (CFP).

Many efforts are already under way at national level to achieve the Europe 2020 objectives that apply to Denmark (see Section 1.1). Based on the requirement for thematic concentration, however, the ESI Funds are expected be able to make an extra contribution to boosting productivity and competitiveness of Danish enterprises and boost job creation throughout Denmark. In addition, the ESI Funds are expected to be able to contribute to improved environmental protection, management of natural resources, adaptation to climate change and conversion to bioeconomy, etc.

Similarly, in its position paper for Denmark, the European Commission specifies that the combined ESIF action in 2014–2020 can benefit from falling within the following areas:

- boosting productivity and competitiveness through innovation and enterprise development (thematic objectives 1 and 3);
- enhancing the labour supply through inclusion, skills adaptation and educational actions (thematic objectives 8, 9 and 10);
- enhancing efforts on environmental protection as well as mitigation and adaptation to climate change (thematic objectives 4 and 6).

As is evident below, the action under the ESI Funds will largely reflect the recommendations found in the European Commission’s position paper. It should be noted, however, that an action will be implemented under thematic objective 5, even through this not specifically recommended in the European Commission’s position paper.

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84 Det Nationale Reformprogram [National Reform Programme], Denmark 2013, the Danish Government, April 2013.
Boosting productivity and competitiveness via innovation and enterprise development
The ESI Funds build on the national action to boost productivity, competitiveness and job creation. The funds focus on enterprises and individuals. For instance, the ESI Funds support the fact that increasing numbers of Danish enterprises incorporate research results into products and process, for example, so that the enterprises can increase turnover and create more jobs. The enterprises’ innovation capacity can also be boosted by means of cluster development. The ESI Funds can support these actions.

The ESI Funds must also help to ensure that SME competitiveness is improved, *inter alia*, by boosting the “ecosystem” around the enterprises and by means of increased internationalisation, automation and digitisation.

The ESI Funds must also help to strengthen innovation and competitiveness in the agricultural and food sectors, through information and demonstration projects, the development of new products, processes and technologies in areas such as new environmentally efficient solutions and methods, organic farming and products, animal health and welfare or through investment in new technology in the primary agricultural sector.

Moreover, the funds should contribute to promoting innovation and competitiveness within fishery and aquaculture by developing or introducing new or improved products, processes or administrative and organisational systems.

It is assessed that the ESI Funds will best help to boost productivity and competitiveness by means of focused actions directly affecting the enterprises and which are instrumental in getting enterprises to exploit the potential of automation and digitisation and the potential inherent in new processes and technology in relation to relatively small investments in physical infrastructure. In the light of the relatively limited appropriations for the ERDF and ESF, support is not given to infrastructure, including the rollout of broadband, etc.

Enhancing the labour supply through inclusion, skills adaptation and educational actions
Reforms of the state education grant and loan scheme, cash benefits and disability retirement, as well as boosting the educational qualifications of the unemployed and focusing on the development of vocational education/training programmes are all initiatives aimed at ensuring social inclusion and better access to qualified labour.

The ESI Funds must contribute to creating more jobs, including by means of increased labour-market mobility, and by increasing the number of start-ups entering a dynamic growth process, increasing the number at the periphery of the labour market who find a job, and increasing the number who complete a qualifying education/training programme, including particularly a vocational programme.85

In addition, the ESI Funds must contribute to boosting job creation, employment and rural development by means of the LAG action.

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85 The European Commission’s position paper for Denmark, p. 10.
An enormous effort is being made at present to boost vocational education and training to ensure that more individuals receive an education. There is also keen focus on reducing social marginalisation. The ESI Funds can help in this respect by applying targeted, holistic actions against barriers to obtain affiliation with the labour market for individuals on the periphery of the labour market. The ESI Funds can also make a difference in relation to actions which ensure that the skill-sets of enterprises’ employees are generally upgraded, reduce the number who lose contact with the educational system or labour market and increase the number who get a formal education, which is significant for enterprise growth.

**Enhancing efforts on environmental protection, as well as mitigation and adaptation to climate change**

A number of initiatives have been taken to strengthen the action in the area of environmental and nature protection and adaptation to climate change: the 2012–2020 Energy Agreement, the Agreement on a green conversion package, the Recommendations of the Commission on Nature and Agriculture, the Danish Government’s Climate Strategy, the 2020 Organic Action Plan, as well as the Growth Plan for Water, Bio and Environmental Solutions.

The ESI Funds should contribute to reducing greenhouse gas emissions by encouraging enterprises to develop new green business models, and to develop and use new technology, which includes making a special effort to reduce greenhouse gas emissions and reduce the consumption of energy in the biggest towns and cities.

Moreover, the ESI Funds should contribute to improving energy efficiency in the primary sector and promote the conversion to bioeconomy.

In addition, the funds should help to promote the continuing sustainable administration of natural resources in agriculture and forestry, including the implementation of the Water Framework Directive and the Natura 2000 directives, and to promote animal welfare.

Similarly, the funds should contribute to continuing efforts for more sustainable management of natural resources in the fisheries and aquaculture sector, including the implementation of the Water Framework Directive and the Natura 2000 directives, as well as the marine strategy framework directive as it relates to the implementation of the common fisheries policy.

The ESI Funds should also be used to promote a financially, socially and environmentally sustainable development of the aquaculture sector.

Finally, the funds should be used to improve basic data and knowledge particularly in relation to the CFP requirement for ecosystem management, marine habitats in Natura 2000 areas, and in relation to sea-basin strategy actions.

**Choice of thematic objectives**

The appropriate thematic objectives must be selected on the basis of the challenges identified and with a view to supporting the national action already launched, observing the European Commission’s recommendations and the requirement for thematic concentration.\(^6\)

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\(^6\) For the ERDF and the ESF, the choice is also aligned with the lessons learned in the 2007–2013 period, including a focused action, few priorities and place-based orientation.
Denmark’s future ESIF action will therefore lie within the following thematic objectives presented in the regulatory framework:

- strengthening research, technological development and innovation (thematic objective 1);
- enhancing the competitiveness of SMEs, of the agricultural sector and of the fishery and aquaculture sector (thematic objective 3);
- supporting the shift towards a low-carbon economy in all sectors (thematic objective 4);
- promoting climate change adaptation, risk prevention and management (thematic objective 5);
- preserving and protecting the environment and promoting resource efficiency (thematic objective 6);
- promoting sustainable and quality employment and supporting labour mobility (thematic objective 8);
- promoting social inclusion, combating poverty and any discrimination (thematic objective 9);
- investing in education and vocational training for skills and lifelong learning (thematic objective 10).

The operational programmes for the individual funds further specify the action in accordance with the regulation’s requirements, including the requirement for thematic concentration.

As a result, actions within the following three thematic objectives have been left out of consideration:

- enhancing access to, and use and quality of, ICT (thematic objective 2);
- promoting sustainable transport and removing bottlenecks in key network infrastructures (thematic objective 7);
- enhancing institutional capacity of public authorities and stakeholders and efficient public administration (thematic objective 11).

Choosing not to use thematic objectives 2 and 7 is largely due to a general assessment of the fact that the appropriations can be used more effectively to generate growth by focusing the action on the other thematic objectives instead of investing in technological infrastructure and transport infrastructure, also in the light of the relatively few resources received by Denmark under the ERDF and the ESF. All other factors being equal, Denmark has an efficient public administration. The dropped thematic objectives are addressed to a certain extent in the territorial structural fund programmes, including the interregional programme.

The overarching strategic approach is outlined in the figure below showing the selected thematic objectives, the selected national initiatives and their relationship to the national Europe 2020 objectives.

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88 In Denmark, the ESI Funds will not be used for research but for applying research results as part of innovation, development and job creation.
**Europe 2020 Strategy**

**Smart Growth**
- R&D investments constitute at least 3% of GDP
- Reduce the ESL rate to less than 10% for individuals aged 18–24, and increase the percentage of individuals aged 30–34 who have completed tertiary or similar education to at least 40%
- Increase the use of renewable energy to 30% in final energy consumption (transport 10%). Emissions in sectors not included in the ETS must be gradually reduced by up to 20% leading up to 2020, compared with 2005
- Structural rate of employment: 80%
- Reduce the number of individuals in households with low employment by 22,000 leading up to 2020 (compared to 2008)

**Sustainable Growth**
- Promote productivity and competitiveness through innovation and enterprise development
- Promote environmental protection and adaptation to climate change
- Enhance the labour supply through inclusion, skills development, education and training

**Inclusive Growth**
- Europe 2020 objectives converted into national objectives
- Commission Paper Position Paper recommendations
- Growth Plan for Denmark, including a proactive business and growth policy
- Growth Plan for Creative Professions – design, health and welfare solutions, Danish Maritime Cluster, etc.
- Growth Plan for Food, etc.
- Innovation Strategy
- Cluster and Networking Strategy
- Business service system
- National multi-year aquaculture strategy

**National actions’ most important initiatives**
- Thematic objective 1: Strengthening research, technological development and innovation
- Thematic objective 3: Enhancing the competitiveness of SMEs
- Thematic objective 4: Supporting the shift towards a low-carbon economy in all sectors
- Thematic objective 5: Climate change adaptation, risk prevention and management
- Thematic objective 6: Protecting the environment and promoting resource
- Thematic objective 8: Promoting sustainable and quality employment and supporting labour mobility
- Thematic objective 9: Social inclusion, combating poverty and any discrimination
- Thematic objective 10: Investing in education, continuing education/training and vocational training for skills and lifelong learning

**Commission on Nature and Agriculture**
- Climate Strategy of the Danish Government
- Action Plan for Organic Farming 2020

**Growth Plan for Water, Bio and Environmental Solutions**
- Youth Package
  - Educational Boost for the Unemployed
  - Reform of the cash-benefits system
  - Reform of the disability retirement scheme
  - Reform of the education grant and loan scheme

**Growth Plan for Energy and Climate**
- Energy Agreement, 2012–2020
- Green Conversion/Green Growth Agreement for a Green Conversion Package
- The Commission on Nature and Agriculture
- Climate Strategy of the Danish Government
- Action Plan for Organic Farming 2020
- Growth Plan for Water, Bio and Environmental Solutions
- Growth Plan for Energy and Climate

**Growth Plan for Creative Professions**
- Design, health and welfare solutions, Danish Maritime Cluster, etc.

**Growth Plan for Food**
- Design, health and welfare solutions, Danish Maritime Cluster, etc.
**Common strategy across the four ESI Funds**

Based on the thematic objectives chosen, the four ESI Funds are expected to support one another and help to enhance productivity, competitiveness and job creation in Danish enterprises and enhance the development of the agricultural, fishery and aquaculture sectors.

For the ERDF and the ESF, it is expected that the strategy selected will ensure continuity in relation to the 2007–2013 period, which also focused on enhancing regional growth and employment without having defined specific target groups or sectors in advance. This enabled the organisation and planning of regional actions emphasising the handling of regional positions of strength and challenges.

For the EAFRD, the strategy selected is expected to ensure a certain amount of continuity in relation to the 2007–2013 period, but the action will be focused and the measures will be prioritised according which will have the biggest impact within the limited budget. The EAFRD programme will be a key source of financing for the directive-implementing action in the area of nature and the environment, and the programme action will aim to help follow up on the recommendations of the Commission on Nature and Agriculture, as well as the recommendations taken from the Danish Government’s Growth Plans for Food and for Water, Bio and Environmental Solutions.

For the EMFF, the strategy selected is expected to ensure a certain amount of continuity in relation to the 2007–2013 period, but the programme will be more focused and targeted in the period ahead.

The four funds each address significant challenges to growth and other challenges to Denmark’s business community, Danish agriculture, and Danish fishery and aquaculture. In a number of areas, it will only be relevant for one of the funds to support initiatives aimed at helping to overcome the growth challenges and other challenges, but in other areas, there will also be the potential to launch a more cross-cutting action that could benefit from being supported by more than one fund.

The actions under the individual funds must not overlap, and it must be clear to the applicants which fund is appropriate for them. For this reason, it is important to demarcate the limitations between the funds.

**Cooperation and synergy**

Several action areas are addressed by several funds, and the possibilities under the individual funds supplement one another. This paves the way for synergy across the funds based on strategic choices.

Synergy between the funds is expected to generate added value in the following areas:

- entrepreneurship (addressed by both the ESF and the EAFRD);
- SME innovation, investment in new technology, and automation and digitisation (addressed by all the funds);
- creation and development of clusters, particularly within bioeconomy and foods (particularly addressed by the ERDF, EAFRD and EMFF);
- resource efficiency (addressed by all the funds).
In addition, education and training is important across the four funds. It is generally expected that the ESF will to a certain extent be able to support efforts to deal with educational challenges across the four funds. For enterprises within fishery and aquaculture, as well as primary production of agricultural products, certain limitations will apply, however. Private-sector stakeholders with a professional base in a primary sector can take part in ESF projects on the basis of independent CVR numbers that are not associated with a primary sector when their participation is relevant to the project. On the other hand, they will not be able to participate solely on the basis of a CVR number associated with a primary sector.

Denmark’s strategic action is detailed in the following.

**Thematic objective 1: Strengthening research, technological development and innovation**

The purpose of the action under thematic objective 1 is to increase the number of innovative enterprises in Denmark and strengthen innovation within the agricultural, forestry and food sectors with a view to green conversion, environmental sustainability and competitiveness.

The ESI Funds must contribute to increasing the number of Danish enterprises that become innovative, including contributing to Danish enterprises becoming better at using research and new technology and at creating better continuity between research, application-oriented development, testing, demonstration and use in the agricultural, forestry and food sectors (see the challenges outlined in Section 1.1.15, etc.). Under thematic objective 1, the ERDF must help to enhance productivity in Danish enterprises. In spite of a high GDP and the fact that considerable resources are expended on R&D activities, there are relatively few SMEs which introduce new products and processes.

Under thematic objective 1, the ERDF will accommodate two different types of action for promoting innovation and increasing the number of innovative enterprises for the purpose of helping to increase the productivity of SMEs. A small part of the action also targets increasing the percentage of innovative enterprises in urban areas via green innovation.

Under the ERDF, focus will be brought to bear on innovative collaboration between enterprises, their customers and knowledge institutions within regional positions of strength, and focused on resolving societal challenges. The action must support smart specialisation. Under this action, enterprises and knowledge institutions must work together to develop innovative solutions in the form of new concepts for new products and solutions, including both products and services. The enterprises will be the focal point for the action, which must also help to ensure that the knowledge available at the knowledge institutions is converted into products and solutions with a commercial aim.

Finally, under the ERDF, there will be limited scope for supporting cluster organisations to strengthen the skill-sets of the cluster organisation for the purpose of boosting activities for the cluster’s enterprises and in the long term increasing innovative cooperation and products in the cluster. Clusters and networks promote knowledge cooperation, skills enhancement and thus innovation, development and research in all types of enterprise. Four times as many SMEs become innovative when they take part in cluster and networking activities, compared to
enterprises that do not take part in cluster cooperation. Clusters and networks also contribute to four times as many enterprises starting collaboration projects on innovation and research with external knowledge partners, compared with similar enterprises outside of cluster and networking cooperation.

Under thematic objective 1, the EAFRD must help to ensure access to information and dissemination of knowledge about how to implement new processes and technology and use them within the primary sectors. This can help to ensure the competitiveness of Danish agriculture, horticulture and forestry on production terms that take greater account of the environmental and climate impact and of animal welfare. Also, the action must help to promote development and innovation in the agriculture and forestry sector through cooperation projects.

EAFRD action under thematic objective 1 will include information activities, demonstration and communication of knowledge in the primary agriculture sector and food sector, as well as cooperation projects, etc. The national subsidy schemes in the EAFRD will include business development, organic conversion of kitchens and conversion to bioeconomy.

Generally speaking, the action under thematic objective 1 focuses on making Danish enterprises more innovative. This applies to manufacturing and service enterprises and the agricultural sector.

**Thematic objective 3: Enhancing the competitiveness of SMEs, of the agricultural sector and of the fishery and aquaculture sector**

The purpose of the action under thematic objective 3 is to increase the number of high-growth enterprises, enhance the competitiveness of the agriculture and food sectors and boost innovation and competitiveness in the fishery and aquaculture sector. The action under thematic objective 3 must contribute to improving the competitiveness of SMEs, *inter alia*, by increasing their level of internationalisation, automation and digitisation, and the competitiveness of the agriculture and food sectors must be improved, *inter alia*, by developing new products and technologies in the primary agricultural sector. Finally, the action must help to promote conditions for investment in new technology, processes and production (see Section 1.1.15, etc.).

The action under thematic objective 3 under the ERDF is intended to get more SMEs to enter into a dynamic growth process with a view, *inter alia*, to creating more jobs and increasing enterprise competitiveness. A declining number of SMEs develop into high-growth enterprises. This applies to both start-ups and established enterprises alike.

With the ERDF, potential high-growth enterprises (SMEs and start-ups) could be supported by providing subsidy for the development of growth plans, e.g. with a view to increased internationalisation, as well as automation and digitisation. The activity entails customised processes for enterprises that are deemed to have the potential for entering into dynamic growth processes.

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89 Strategien for samarbejde om Danmarks klynge- og netværksindsats [Strategy for cooperation on Denmark’s cluster and network action], Ministry of Science, Innovation and Higher Education, 2013.

It can become an option to establish financial instruments in the form of loans under the ERDF.

Under thematic objective 3, the EAFRD must help to enhance competitiveness in the agriculture and food sectors through investment in new technologies, processes or production, as well as cooperation on the development of new products and technologies, e.g. in the areas of the environment, energy, climate and animal welfare.

EAFRD action will comprise investment in environmental technology and investment in technologies for improving animal welfare, developing new products and technologies in the primary agriculture sector and the restoration of agriculture’s production potential after damage resulting from natural disasters, etc. The development projects, which can be carried out as a collaborative effort involving several parties or a single player, can target different action areas, such as initiatives relating to environmentally efficient technologies, improvement of animal welfare and health, etc.

The national subsidy schemes under the EAFRD programme will be, for instance, investment in environmental technology in agriculture, investment in agriculture production of biomass (inactive scheme), restoration of agriculture’s production potential after damage caused by natural disasters (inactive scheme), business development and collaboration projects on sustainable production of biomass for use in foods, energy production and industrial processes (inactive scheme).

Inactive schemes are defined as schemes for which programme funding is not reserved from the beginning of the programme period, but which are important for being able to describe the intervention logic for the entire 2014–2020 programme action and to have the requisite authority when the need to activate the action arises.

Funds for the two schemes – for restoring agriculture’s and forestry’s production potential after natural disasters – will not be set aside until a disaster occurs. Details about the implementation of the schemes will be determined by an amendment to the programme.

Under the EMFF, the actions promote innovation and competitiveness within fishery and aquaculture through developing or introducing new or improved products, processes or administrative and organisational systems. In addition it is possible to support market measures which, e.g., contribute to increased documentation and traceability, consultancy, cluster formation and the establishment of networks, e.g. between fishermen and researchers. The activities will contribute to the Blue Growth initiative as it relates to fishery and aquaculture.

In general, the action under thematic objective 3 is expected to help to enhance the competitiveness of Danish SMEs, of the agriculture sector and of the fishery and aquaculture sector.

**Thematic objective 4: Support the shift towards a low-carbon economy in all sectors**

The aim of the action under thematic objective 4 is to improve energy and resource efficiency at enterprises and reduce energy consumption in urban areas with a population of more than
30,000. In addition, to improve resource efficiency in agriculture and horticulture and to promote the conversion to bioeconomy.

The action helps to reduce greenhouse gas emissions by developing and using new technology, including in major urban areas. The action will also help to make agriculture and horticulture more energy efficient and reduce agriculture’s emissions of greenhouse gases and ammonia, etc. (see Section 1.1.15, etc.).

The action under thematic objective 4 under the ERDF must generally help to reduce greenhouse gas emissions and ensure the shift to a low-carbon economy. Twenty per cent of the appropriations under the ERDF must be used in this area. The intention here is also to exploit the positions of strength possessed by Danish enterprises in the green sector.

The action under the ERDF will focus on sustainable solutions in areas such as resource efficiency and recycling waste products, as well as energy efficiency. The purpose is to be able to provide support for developing and implementing energy-efficient and resource-efficient business models\(^1\) in SMEs. The activity entails customised processes for enterprises to help to improve the efficient use of energy and resources by SMEs. In this context, it can become an option to establish financial instruments in the form of loans under the ERDF.

ERDF action can possibly be seen in correlation with the action taking place under the EAFRD programme where conversion to bioeconomy is encouraged so that the funds can support the combined value chain.

Five per cent of ERDF funds must be used for sustainable urban development. This regulatory obligation is proposed as being primarily dealt with under thematic objective 4, and under the heading Smart Urban Innovation it will concentrate on a small number of development and demonstration projects with two purposes. First of all, they should serve to develop and/or try out “smart” methods and technologies which make it possible to deal with resource-related, climate-related and energy challenges. Secondly, the methods and technologies used should have commercial potential.

Under thematic objective 4, the EAFRD must help to promote the continued improvement of energy efficiency through cost-effective measures in primary agriculture. The fund should also help to promote profitable production of sustainable biomass capable of replacing the use of fossil materials, and thus carbon emissions, and promote the development of technologies capable of converting biomass into other products, including energy, and to reduce agriculture’s emissions of greenhouse gases and ammonia.

Denmark focuses on the fact that expanding the use of bioenergy must occur in a sustainable manner. Thus, in 2012, a policy framework was determined stipulating the percentage of maize and other energy crops which may be used in Denmark’s production of biogas, if a biogas facility wishes to be eligible for operating subsidy. The Danish Government has also commissioned an analysis of how biomass can be used in an environmentally sustainable and efficient manner in Denmark’s energy supply.

The EAFRD action will comprise investment in environmental technology aimed at improving energy efficiency, providing new uses for biomass, investment in the conversion to bioeconomy (inactive scheme), and collaboration projects on promoting the conversion to a bio-based economy (inactive scheme).

As part of the political agreement on the distribution of appropriations for the EAFRD for 2014–2015, resources have not been allocated to the two inactive schemes concerning conversion to bioeconomy. An action under these schemes is predicted to take place during the programme period, however, as part of implementing the Danish Government’s Growth Plan for Water, Bio and Environmental Solutions, and other actions.

In addition, certain measures to be implemented under thematic objectives 5 and 6 will also contribute to the achievement of thematic objective 4. This applies to measures such as establishing woodland on farmland, establishing and maintaining wetlands to reduce the leaching of nitrogen and phosphorous, extensification of farming in former, now drained wetland areas, the designation of uncultivated buffer strips along waterways and lakes, and investment in environmental technology.

**Thematic objective 5: Promoting climate change adaptation, risk prevention and management, and**

**Thematic objective 6: Preserving and protecting the environment and promoting resource efficiency**

This action aims to achieve a more environmentally sustainable and resource efficient production process and to achieve a satisfactory nature situation in designated areas and an aquatic environment with higher water quality. In addition, increased resource efficiency is expected in primary agriculture and in the fishery and aquaculture sector. The action also aims to achieve a more sustainable management of natural resources in the fishery and aquaculture sector and to improve the basis for increasing fish populations.

Under thematic objectives 5 and 6, the EAFRD must help to promote an environmentally sustainable production and achieve a satisfactory natural state in designated areas and to comply with the obligations stipulated in the Natura 2000 directives and the Water Framework Directive.

The action must contribute to pursuing the Danish Government’s objective for Green Conversion, which includes sustainability in agriculture, green economy, and a specific action targeting rising pollution problems, scarcity of resources and climate change. Also, the action must help to maintain the results achieved in previous plans, including the Danish Government’s nature plans, aquatic plans, pesticide plan, objectives for woodlands and the objective to reduce greenhouse gas emissions by 40% by 2020 compared to 1990.

As specified in the Prioritised Action Framework (PAF) of 31 January 2013, the 2007–2013 EAFRD programme provided a significant contribution to Denmark’s implementation of the Natura 2000 directives. By means of a programme amendment in 2010, the programme was
further targeted to be a source of financing for implementing these directives as part of the Danish Government’s Green Growth agreement.\textsuperscript{92}

The action included in the 2007–2013 programme is being continued in the main through similar schemes in the 2014–2020 programme.

Thus, the EAFRD will continue to be a key source of financing for the implementation of the Water Framework Directive and the Natura 2000 directives. The need for action in the next generation of water and nature plans in effect from 2016 will be determined at national level in 2014. The determination of this need for action is not expected to reduce the above-mentioned focus on directive implementation.

The above-mentioned prioritisation is reflected in the distribution of the programme’s budget on thematic objectives and actions, as the predominant portion is allocated to the implementation of initiatives under objectives 5 and 6.

Under the EAFRD, the actions under thematic objectives 5 and 6 will include the conservation of grasslands/nature on farmland, clearing/fencing in and restoration of natural hydrology on farmland in Natura 2000 areas, the establishment and maintenance of wetland to reduce leaching of nitrogen and/or phosphorous, area payment for organic farmland, nature and environment projects, extensification of farming in former, now-drained wetland areas, establishment of woodland, sustainable forestry, etc. The action will also include investment in new processes and technologies with a view to reducing the strain on the environment and climate from primary agricultural production, e.g. in relation to reducing noxious odours, and reducing climate gases and ammonia from livestock production and effluent, etc., as well as investment in organic farming.

The scheme for special area payment for farms located on small islands without bridge links (island subsidy) is upheld under the EAFRD programme in 2014. From 2015, it is intended that the option of continuing the subsidy as a special area supplement to the basic payment under pillar 1 of the CAP will be used for everyone farming in the areas concerned. Thus, the special area payment for designated areas under the EAFRD will cease from and including 2015.

Several of the actions under thematic objectives 5 and 6, such as establishment of woodland and extensification of farming in former, now drained wetland areas, will also have a positive impact in relation to thematic objective 4 (see above).

The overarching goal of the EMFF is to contribute to the implementation of the Common Fisheries Policy and to promote competitive and financially viable and socially and environmentally sustainable fishery and aquaculture. As part of the implementation of the Common Fisheries Policy, the EMFF must support the implementation of the obligations under

\textsuperscript{92} The Agreement on Green Growth of June 2009 includes a 2020 Environment and Nature Plan for Denmark aimed at improving the environment and climate and increasing the amount of quality nature areas accessible to the public. The plan includes a number of actions aimed at boosting the protection of various nature habitats (including dry habitats), flora and fauna in Denmark’s nature areas, including an action for the conservation and management of up to 145,000 hectares of private and public Natura 2000 areas in 2015 and support for the establishment of up to a total of 75,000 hectares of new nature areas by 2015. In this respect, the parties to the agreement gave priority to working to increase the possibility at EU level to design subsidy schemes under the EAFRD programme which are suitable for achieving permanent removal of farmland as part of, for instance, restoring wetlands, removing land in stream valleys for the purpose of retaining phosphorous, ceasing waterway maintenance and the establishment of buffer strips, etc.
the EU’s Natura 2000 directives, the Water Framework Directive and the Marine Strategy Framework Directive. In the event that the European Commission allocates funds in the EMFF for the implementation of the integrated maritime policy under shared administration, it will also be possible for the European Fisheries Fund (EFF) to implement these activities with a focus on marine monitoring and protection of the marine environment.

The EMFF must be used for an action targeting the preservation, restoration and protection of saltwater and freshwater environments particularly as basic resources for fishery and aquaculture and to ensure that the environmental impact of fishery and aquaculture takes place within a sustainable framework.

The focus is on promoting sustainable fishery and aquaculture, on innovation and green conversion, on data collection and data application to improve fishery management, and on the control and enforcement of the Common Fisheries Policy. In addition, projects aimed at reducing fishery’s environmental impact and contributing to a more sustainable utilisation of biological marine resources, including protection and restoration of biodiversity and ecosystems, are eligible for support.

The contribution to the implementation of the CFP’s objectives for, e.g. maximum sustainable yield (MSY) and ecosystem management approach, will, together with boosting competitiveness, be main priorities for the EMFF. Thus, this approach will encourage close correlation between the tasks resulting from the implementation of the CFP, including in relation to directive-based obligations in areas like the environment, and the actions prioritised in the EMFF programme.

It will be possible for the EMFF to support the development of more resource-efficient methods within fishery and aquaculture, including the support for the development of selective and sustainable equipment, fishery methods and management, as well as the continued development of and investment in resource-efficient solutions for aquaculture production.

**Thematic objective 8: Promoting sustainable and quality employment and supporting labour mobility**

The aim of the action under thematic objective 8 is to increase employment in enterprises and increase transnational labour mobility. In addition, it is expected to boost job creation and employment and the development of fishery areas.

Employment must be increased by means of an action aimed at increasing the number of self-employed businesspeople and thus job creation in new start-ups by means of consultancy activities for entrepreneurs and entrepreneurship training. Fewer and fewer individuals choose to take the leap of becoming self-employed and in so doing creating their own job. The action will primarily concern the establishment of provisions for the broad group of entrepreneurs with the potential to generate better results in the form of job and value creation, if they receive advice and guidance concerning what is available in the ordinary business promotion system.

This action can be seen in correlation with the action for entrepreneurs in rural areas under thematic objective 9 under the EAFRD programme.
For established entrepreneurs with a product, including green products in particular, who wish to enter new markets, it is possible to qualify for support by means of actions financed by the ERDF under thematic objective 3.

It can become an option to establish financial instruments in the form of loans under the ESF’s action for entrepreneurs.

The ESF can also contribute, *inter alia*, to accommodating enterprises’ need for growth-orientated skills enhancement in areas where enterprises need expertise, e.g. automation and digitisation processes, so that more knowledge in this area is brought out to the SMEs. In so doing, the ERDF action is also supported under thematic objective 3. Similarly, the ESF can help to support upgrades of energy efficiency and resource efficiency and thus help to support thematic objective 4. The intention is to boost the level of expertise in Danish enterprises, which contributes to making the enterprises more innovative and productive.

In addition to the action vis-à-vis entrepreneurs and the growth-oriented skills development, a small sum is expected to be earmarked for the operation of EURES – a pan-European recruitment network that is expected to be funded by the ESF insofar as the activities rooted in Denmark are concerned. The EURES action must contribute to attracting foreign labour to Denmark, including highly educated labour and retaining foreign students studying in Denmark, but also to help unemployed Danes to find employment abroad.

According to the EU rules for the EMFF, it is possible to provide support under the CLLD method, which is a bottom-up approach to developing areas and which aims for local development controlled by society through local action groups (LAG). It is not compulsory to use this method under the EMFF programme, however.

Under the EMFF, it will be possible to grant support for the promoting of diversification, creation of new small enterprises and job creation, and it is possible to grant support for promoting local development in fishery areas.

**Thematic objective 9: Promoting social inclusion, combating poverty and any discrimination**

The aim is to increase the employment of individuals on the periphery of the labour market and to boost job creation, employment and development in rural areas.

The action under thematic objective 9 must contribute to counteracting the rising number of individuals living in households with a low employment rate since 2008, the fact that the individuals with the lowest level of education have experienced the sharpest drop in their employment rate, and the fact that long-term unemployment has risen since the start of the financial crisis. In addition, more youths must complete a youth education, including vocational training in particular. The action must contribute to improving the framework conditions in rural areas with a view to counteracting the decline in jobs and create new employment and growth (see Section 1.1.15, etc.).
Denmark is under an obligation to use 20% of the ESF appropriations for social inclusion and combating poverty under thematic objective 9.

The aim of the action under thematic objective 9 is – via the ESF – to ensure social inclusion by increasing the employment of individuals on the periphery of the labour market. This will in part be done through the educational system where the action under the ESF will contribute to ensuring that disadvantaged youths are retained in their youth study programme, e.g. by means of mentoring schemes. In addition, the action will focus on induction processes, e.g. in socioeconomic enterprises for the purpose of improving the possibility of achieving ordinary, unsupported employment and providing support to socioeconomic enterprises to strengthen bonds with the labour market for individuals employed in these enterprises.

The regulatory basis stipulates that at least 5% of the EAFRD budget must be used for the LEADER action. This action is to be implemented through local action groups under thematic objective 9.

The overarching principle under the LEADER method is to ensure a high degree of local influence as part of implementing the programme action. The strategic focus of the LEADER method is on ensuring that local participants must manage the use of the EAFRD funds earmarked for this action, and in so doing find local solutions to local challenges. The LEADER method is implemented under the focus area “Promoting local development in rural areas” (6B) through local development strategies prepared by local action groups. This activates local players, and the action is organised and planned according to local needs and possibilities. The development strategies must strengthen territorial cohesion and the synergy between administrative entities and take aim at the rural economy and population in a wider sense.

The EAFRD action under thematic objective 9 will comprise support for investment in the food sector, creation and development of enterprises, basic services and urban regeneration, and collaboration projects. In addition, subsidy can be granted for drawing up local development strategies and for operating and developing LAGs.

The support measures concerned must contribute, *inter alia*, to the following:

- improving framework conditions to create new employment and growth in rural areas;  
- promoting the establishment and development of new enterprises in rural areas and basic service facilities;  
- supporting collaboration on the development of new enterprises, products, processes and technologies in rural areas;  
- strengthening the build-up of local resources, including knowledge and expertise to promote entrepreneurship and cooperation.

Thus, the essential purpose of the combined action under thematic objective 9 is to contribute to increasing employment for disadvantaged groups and boost job creation and employment in rural areas.

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93 In May 2012, the Danish Government set up a committee of experts tasked with illuminating the various methods of determining poverty and drafting proposals for a Danish poverty line. The committee published its proposal in June 2013, and the Danish Government has adopted the proposal.
The entrepreneurship actions under the EAFRD and the ESF must supplement one another. Thus, it is important to establish cooperation between LAGs - which prioritise an entrepreneurship action - and municipal business services so that the action at the players moves in the same direction and supports the one-tiered business service system. It is ensured, *inter alia*, that the action group’s development strategy and the goals specified in it align with the municipality’s strategy for the local business service. Such an action can possibly also be seen in correlation with the possibilities of supporting the local business service under thematic objective 8 under the ESF and possible actions at regional business development centres (vaeksthuse).

The interaction can also be ensured by increasing the strategic dialogue between the local action groups and the municipalities on the local challenges concerning job creation and entrepreneurship, as well as the fact that the municipal business service is, in this context, aware of and attentive to any possibilities made available by the local action group.

**Thematic objective 10: Investing in education, training and vocational training for skills and lifelong learning**

The aim is to increase the number who complete vocational training or tertiary education. One of the challenges which the action under thematic objective 10 must contribute to remedying is that an insufficient number of youths apply for vocational training programmes and that the completion rate is too low. The percentage of unskilled workers is relatively high, and Denmark is ranked in only the median range internationally in terms of the percentage of individuals aged 25–34 with tertiary education. In addition, the percentage of persons with tertiary education employed in the private sector in Denmark is relatively low.

Under thematic objective 10, the main purpose of the action – via the ESF – will be to increase the number of individuals who complete a qualifying training programme. It is particularly challenging to increase the number of individuals who complete vocational training, and the action in this area will therefore focus on, for instance, a commitment to talent development in the vocational training system and on creating more traineeships/apprenticeships. Studies show that the longer an employee’s education, the stronger the correlation between productivity and training. The longer an employee’s education, the more innovative the enterprise as well.94 Another aspect of the ESF action will focus on upgrading the skill-sets of adults, from unskilled to skilled or from skilled to tertiary education.

**Summary: common strategy**

The strategy described lays the groundwork for enabling the ESI Funds in a Danish context to promote the action which is also recommended by the European Commission in its position paper and in a wider sense to contribute to promoting growth and employment throughout Denmark. Moreover, the action will contribute to remedying challenges in areas such as environmental protection, management of natural resources, adaptation to climate change and conversion to bioeconomy, etc. In the light of the fact that the appropriations (particularly for the ERDF and the ESF) are relatively small, the ESI Funds will supplement the combined Danish action to strengthen growth and employment and green conversion, also at regional level, etc.

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94 *Produktivitet og videregående uddannelse [Productivity and tertiary education], CEBR for DEA think tank, 2010.*
In many areas, the funds supplement one another and separately address different challenges. The EAFRD will include actions for the agriculture sector, whereas the EMFF will target the fishery and aquaculture sector, and the ERDF and ESF target all other sectors.

It is also possible to generate synergy in selected areas. The synergy possibilities will predominantly come into play in relation to major strategic ventures in selected areas, where a large group of players jointly plan an action, e.g. in several phases, and where various elements of the combined venture are supported by different funds.

**Examples of inter-fund synergy**

There is the potential for a common action across the four funds in terms of supporting all or parts of the value chain in clusters in areas where Denmark has identified a position of strength. This applies to bioeconomy, foods and the “Danish Maritime Cluster”.

**Bioeconomy**

Today, Denmark is strongly positioned in the international market in the sub-areas of water, bio and environmental solutions. In 2010, enterprises in the areas of water, bio and environmental solutions were responsible for value creation for more than DKK 30 billion, equivalent to almost 5% of total private-sector value creation.\(^\text{95}\)

Denmark is strongly positioned within industrial biotechnology, which has potential in terms of the production of bio-based material, in turn based on agriculture. A combined action across the four ESI Funds could contribute to realising the commercial potential of this area.

The bioeconomy provides new commercial opportunities for agriculture and forestry. There is potential in increasing the biomass harvest for non-food purposes in Denmark without negatively affecting food production or the environment. Also, it is assessed that there is a substantial potential to save energy throughout the food-production sector, particularly within less energy-intensive production forms.

Agriculture and rural areas are expected to play a crucial role in developing the bio-based economy, as agriculture is responsible for a huge share of the biomass production, such as straw, livestock effluents, grass, bioenergy willow, etc. At the same time, there is a need to promote the use of livestock effluents for energy purposes, including by establishing and enlarging joint biogas facilities, on-farm facilities and supplementary farm investments.

Wood fuels contribute 41% of Denmark’s total renewable energy.\(^\text{96}\) For conifers, roughly half of the harvest is used for bioenergy, primarily for combined heat and power production. Deciduous trees provide wood fuel, which is the least processed conversion of biomass. In other words, there continues to be a need to refine biomass conversion to ensure a continued profitable operation.

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\(^\text{95}\) Growth Plan for Water, Bio and Environmental Solutions, the Danish Government, March 2013.

Agriculture should therefore take part in the conversion to a bio-based society characterised by resource-efficient and sustainable use of the resources available. This can be done by providing sustainable biomass for biorefining, for instance.

The EAFRD can grant subsidies to projects that make it possible for the farmer to experiment with the breeding of plant varieties for the purpose of increasing the biomass yield of yellow and green biomass. This will contribute to the EU’s and Denmark’s goal to ease the supply and use of renewable energy, by-products, residual products and other non-food raw materials for bioeconomy. The EAFRD can also grant subsidies for investment in the conversion to bioeconomy and in collaboration projects for promoting the conversion to a bio-based economy.

The EMFF can support the bioeconomy by means of the following actions, among others:

- supporting projects which conduct research into marine organisms for the purpose of using the components for the production of foods, pharmaceutical and/or cosmetic products and/or for use in the chemical industry;
- supporting projects which study the use of residual products from the fishery and aquaculture sector for the purpose of using biomass for biorefining.

Under the ERDF, projects will be eligible for support if they aim to promote enterprises’ conversion of products or processes for the purpose of increasing energy and/or resource efficiency by focusing on the development of new green business models, including in the area of bioeconomy. The action targets SMEs with existing commercial products or services in the market which form the basis for developing new energy-efficient and resource-efficient business models.

The ERDF can also grant support for green innovation collaborations, including within bioeconomy, and possibly with a view to using new technology to develop new products in the form of prototypes, for example.

The ESF will be able to support the skills upgrade of the workforce in areas that can promote the development of bio-based solutions, e.g. via courses for employees in the area. It is expected that the four funds will be able to support different elements in the combined value chain for the development of the bioeconomic area.

**Food**

Another area with potential synergy across the four funds is the food sector. Here, too, the four funds are expected to be able to support different elements of the combined value chain.

The Danish food sector has a tradition of efficient food production and of producing and marketing high-quality foods in the international market. The strengths include close vertical collaboration in the production chain and strong primary producers.

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97 Discussion proposal from the Growth Team for Foods, www.evm.dk.
The four funds can support one another in the development of the food sector by supporting different elements in the combined value chain or different phases within a major action area aimed at promoting growth and productivity and contributing to job creation in the food sector.

The EAFRD can support investment within the food sector (LEADER), i.e. subsidy for establishing and developing microbusinesses and small food enterprises.

The EMFF can grant subsidies for investment in new products, technologies and processes within the processing of fishery and aquaculture products.

Under the ERDF, it may be possible to support activities capable of promoting innovation in Denmark’s food sector and possibly get food enterprises to enter a growth process. The action could also involve strengthening the food enterprises’ actions within sustainable solutions.

The ESF will be able to support skills upgrade within the food processing sector with a growth perspective in mind, e.g. by means of courses for individuals employed in the area.

**Entrepreneurship**
Entrepreneurship is also an action area for several of the funds, and synergy is possible here too. The EAFRD can support the increasing of the number of entrepreneurs in rural areas, whereas the ESF generally focuses on increasing the number of entrepreneurs via initiatives based on the provisions typically made available by the municipalities in the local business service (see the descriptions under thematic objectives 8 and 9).

**Danish Maritime Cluster**
A fourth area with substantial potential synergy particularly between the ERDF and the ESF, and to a limited extent the EMFF, is the Danish Maritime Cluster.98

New environmental requirements necessitate a gradual green conversion of the shipping industry. Denmark’s business community has substantial expertise in environmental maritime technology. In the years ahead, the demand for new solutions is expected to increase, including solutions aimed at reducing emissions of sulphur and particulates from ship engines, as well as fuel-efficient technologies, cleansing of bilge water and constructing ships out of lightweight materials. This will also include the development of infrastructure and equipment for digital information exchange between ships and between ship and shore, which contributes to increased safety, reduced fuel consumption through improved route planning and streamlining of transmodal transport logistics. There is also potential for the production of smaller ships and equipment for installing and operating offshore wind farms and for servicing offshore oil and gas installations.

The three funds can support one another in the development of the Danish Maritime Cluster by supporting various elements throughout the chain or by supporting different phases within a bigger interconnected action area which can jointly contribute to growth and job creation. This could be done by developing new products, technologies and processes capable of contributing to more eco-friendly transport, more sustainable management of natural resources, as well as maritime education and the enhancement of skills levels.

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Limitations
The actions of the EAFRD and the EMFF are characterised by the fact that they primarily target the development of primary sectors. In relation to the ERDF and ESF, the starting point is that actions are not aimed at special sectors or target groups. For enterprises within fishery and aquaculture, as well as primary production of agricultural products, certain limitations will apply, however. Private-sector players with a professional starting point in a primary sector can take part in projects based on independent CVR numbers that are not associated with a primary sector when their participation is deemed relevant to the project. On the other hand, they will not be able to participate solely on the basis of a CVR number associated with a primary sector.

In areas where it is beneficial for the four funds to support one another, there will generally be a need to examine which fund best suits the financing source in relation to the individual activity, which will also contribute to minimising the risk of duplicate funding.

Summary
Table 10. Operational programmes for the ERDF and ESF: an overview of the selection basis for thematic objectives and investment priorities under the cohesion policy

<table>
<thead>
<tr>
<th>Selected thematic objective</th>
<th>Selected investment priority</th>
<th>Reasons for selection</th>
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| Strengthening research, technological development and innovation (thematic objective 1) | 1(b) Promoting business R/I investment, developing links and synergies between enterprises, R&D development centres and tertiary study programmes, notably as regards investment in developing products and services, technology transfer, social innovation, environmental innovation, public service applications, stimulating demand, networking, clusters and open innovation through smart specialisation; as well as supporting technological and applied research, pilot lines, measures aimed at fast product validations, advanced manufacturing capabilities and first production, notably within Key Enabling Technologies and dissemination of general purpose technologies | • Low productivity growth in Danish enterprises  
• Fewer innovative enterprises in Denmark than in comparable countries  
• Recommendations in the European Commission Position Paper on continuing to support open innovation and clusters through smart specialisation. |
| Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF) (thematic objective 3) | 3(b) Develop and implement new business models for SMEs, in particular for internationalisation | • Few Danish enterprises enter dynamic growth processes.  
• Recommendations in the European Commission’s Position Paper on creating more high-growth SMEs. |
| Supporting the shift towards a low-carbon economy in all sectors (thematic objective 4) | 1(b) Promoting business R/I investment, developing links and synergies between enterprises, R&D development centres and tertiary study programmes, notably as regards investment in products and services, technology transfer, social innovation, environmental innovation, public service applications, stimulating demand, networking, clusters and open innovation through smart specialisation; as well as supporting technological and applied research, pilot lines, measures aimed at fast product validations, advanced manufacturing capabilities and first production, notably within Key Enabling Technologies and dissemination of general purpose technologies. | • In spite of sweeping energy improvements in recent years, there is a need for a fundamental green conversion of Danish enterprises, which is a genuine competitive parameter for them and is necessary for converting to a low-carbon, resource-efficient society.  

• Denmark still has some way to go to achieve the target of reducing greenhouse gas emissions by 20% in spite of positive trends and a high-profile action with high national priority.  

• Recommendation in the European Commission’s Position Paper to focus on green solutions for incorporation into enterprises.  

• Higher immigration into urban areas challenges these areas with service problems in areas such as energy supply and waste management and transportation, which generally challenge efforts to reduce greenhouse-gas emissions.  

• Housing accounts for roughly 20% of total carbon emissions, and 30–40% of energy is used in buildings. |
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<tbody>
<tr>
<td>Promoting sustainable and quality employment and supporting labour mobility (thematic objective 8)</td>
<td>Self-owned enterprise, entrepreneurial culture and enterprise start-up, including innovative SMEs. Workforce, enterprise and entrepreneur adaptability to change. Modernise the institutions of management and labour, such as public and private job centres, improve the match-up with labour-market needs, including actions to promote transnational workforce mobility through mobility schemes and better collaboration between institutions and relevant stakeholders.</td>
<td>Entrepreneurs are crucial for job creation in Denmark. At the same time, new start-ups help to boost enterprise dynamism and thus productivity. Entrepreneurial activity is declining in Denmark, and Denmark is lagging behind, compared to the best-performing countries. At the same time, fewer people are receiving entrepreneurship education compared to the best countries. Denmark lags behind in terms of productivity growth which creates a need to increase enterprises’ job</td>
</tr>
<tr>
<td>Promoting social inclusion, combating poverty and any discrimination (thematic objective 9)</td>
<td>Active inclusion, including for the purpose of promoting equal opportunity and active participation and the improvement of employability</td>
<td>The number of individuals in low-employment households must be reduced by 22,000 leading up to 2020, but the number has increased since 2008.</td>
</tr>
<tr>
<td>Investing in education, training and vocational training for skills and lifelong learning (thematic objective 10)</td>
<td>Improve the labour-market relevance of educational systems, ease the transition from school to labour market, boost the vocational training systems and their quality, including via mechanisms for predicting the skills in demand, adapting curricula and establishing and developing work-based learning systems, including systems combing theoretical and practical learning, as well as traineeship/apprenticeship schemes. Widen equal access to lifelong learning for all age groups in formal, non-formal and informal contexts, improve workforce knowledge, skills and expertise and promote flexible paths of learning, including through occupational guidance and validation of skills acquired.</td>
<td>In the future Denmark will eventually lack qualified labour in particular. The number of applicants to vocational programmes is declining and there is a relatively high ESL rate. Denmark is in the median range in terms of individuals aged 25–34 with a higher education and since 2007 the percentage has risen at a lower rate than in other countries.</td>
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I.3.2. The main results expected for each fund, including an identification of how the individual funds are expected to contribute substantively to achieving the Europe 2020 objectives and, where appropriate, the country specific recommendations

The overarching aim of Denmark’s 2014–2020 ERDF and ESF programmes is to contribute to boosting economic growth in all Danish regions and contribute to achieving the Europe 2020 objectives for smart, sustainable and inclusive growth. This should primarily be done by increasing both job creation (number of working hours) and productivity development (value creation per working hour). The actions are focused through a series of specific objectives which, if met, will contribute to the overarching objective of strengthening economic growth in Denmark. The specific objectives were selected to ensure that the ERDF and ESF will simultaneously contribute to achieving Denmark’s Europe 2020 targets, notably the targets concerning employment, R&D, climate and energy, education, training and social inclusion.

However, it will be possible for the regional growth forums, on the basis of the regional growth and development strategies, to target their actions in relation to regional business strengths and

to address special challenges in the area, thus supplementing and contributing to the implementation of the national growth action on the basis of the possibilities within the individual area.

In the regional growth partnerships for 2013, the regional growth forums and the Danish Government have agreed that the regional growth forums must be instrumental in following up on the growth plans in areas which also support the unique regional positions of strength (smart specialisation).\(^\text{100}\)

At the same time, the growth and development strategies of the regional growth forums will ensure closer interplay with the actions targeting enterprises, education/training and employment, and the agreements concerning regional growth partnerships will ensure closer cohesion between national, regional and local growth actions.

All actions under the EAFRD must generally contribute to promoting environmental, climate and nature protection, including compliance with the European Water Framework Directive and the Natura 2000 directives, as well as the greenhouse-gas emission reduction targets from the sector not included in the emission trading system. At the same time, all schemes must contribute to mitigating the financial impact for affected farmers.

The action will also contribute to boosting innovation within the agriculture, forestry and food sectors, and boost the sectors’ competitiveness under production conditions which take greater account of the environmental and climate impact and animal welfare.

Moreover, the LEADER action will contribute to boosting job creation and employment, as well as development in rural areas.

It will be possible to use the EMFF within the following priorities: Promoting sustainable and resource-efficient fishery and aquaculture and processing; promoting innovative, competitive and knowledge-based fishery, aquaculture and processing; promoting the implementation of the Common Fisheries Policy; increasing employment and territorial cohesion; and promoting the implementation of the integrated maritime policy.

The table below describes the primary results expected from the actions under the four funds, i.e. the most important changes that Denmark will contribute to achieving under the individual thematic objectives in the long term. A more detailed description of the primary results expected under the individual funds is found in the operational programmes.

\(^{100}\) Regional Growth Partnerships, www.evm.dk.
Table 11: Thematic objectives and main results expected

<table>
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<tr>
<th>Thematic objective</th>
<th>Fund</th>
<th>Main results expected</th>
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<tr>
<td>1. Strengthening research, technological development and innovation</td>
<td>ERDF</td>
<td>Increase the number of innovative enterprises in Denmark to increase productivity growth. At the same time, the action will contribute to achieving the Europe 2020 targets concerning employment and R&amp;D.</td>
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<tr>
<td></td>
<td>EAFRD</td>
<td>Enhance innovation within the agriculture, forestry and food sectors.</td>
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<tr>
<td>3. Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of fishery and aquaculture sector (for the EMFF)</td>
<td>ERDF</td>
<td>Increase the number of high-growth enterprises. Will contribute directly to the Europe 2020 target concerning employment and to the country specific recommendation concerning increased productivity growth.</td>
</tr>
<tr>
<td></td>
<td>EAFRD</td>
<td>Boost competitiveness in the agriculture and forestry sectors through investment in new technologies and collaborating on the development of new products and technologies in areas like the environment, energy, climate and animal welfare.</td>
</tr>
<tr>
<td></td>
<td>EMFF</td>
<td>Enhance the competitiveness of and innovation within the fishery and aquaculture sector.</td>
</tr>
<tr>
<td>4. Supporting the shift towards a low-carbon economy in all sectors</td>
<td>ERDF</td>
<td>Improve the efficient use of energy and resources in enterprises and reduce energy consumption in urban areas with a population of more than 30,000. This will contribute to reducing greenhouse gas emissions (Europe 2020 climate target) and is also expected to have a positive impact on job creation and productivity growth.</td>
</tr>
<tr>
<td></td>
<td>EAFRD</td>
<td>The action will contribute to promoting energy efficiency in the agriculture, horticulture and food sectors and promote the conversion to bioeconomy.</td>
</tr>
<tr>
<td>5. Promoting climate change adaptation, risk prevention and management</td>
<td>EAFRD</td>
<td>The action will contribute to achieving a more environmentally sustainable and resource efficient production process and to achieving a satisfactory nature situation in designated areas and an aquatic environment with higher water quality. It will also</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. Preserving and protecting the environment and promoting resource efficiency

EAFRD

The action will contribute to achieving a more environmentally sustainable and resource efficient production process and to achieving a satisfactory nature situation in designated areas and an aquatic environment with higher water quality. It will also increase resource efficiency in the primary agriculture sector.

EMFF

The action will contribute to the attainment of more sustainable management of natural resources and increased resource efficiency in the fishery and aquaculture sector. The action will also improve the basis for increasing the fish population.

8. Promoting sustainable and quality employment and supporting labour mobility

ESF

Increase job creation in enterprises. This will be done through consultancy, guidance and training for entrepreneurs and through growth-targeted skills upgrades targeting the needs of the enterprise. Thus, the action will also contribute to the Europe 2020 target to increase the employment rate.

Finally, transnational labour mobility must be increased.

9. Promoting social inclusion, combating poverty and any discrimination

ESF

Increase the employment of individuals on the periphery of the labour market by increasing the level of education among disadvantaged youths and by promoting employment, e.g. in socioeconomic enterprises. This is also in keeping with the country-specific recommendations and contributes to the Europe 2020 target of increasing the employment rate to 80%. ¹⁰¹

EAFRD

The action will contribute to boosting job creation and employment, as well as development in rural areas.

10. Investing in education, training and vocational training for skills and lifelong learning

ESF

The number of individuals who complete a vocational training programme or tertiary education must increase. This will be achieved by means of a unique action at vocational schools which will encourage more to complete a vocational training programme, and by means of a formal educational boost aimed at boosting the level of individuals in the workforce from unskilled to skilled and from skilled to tertiary education. At the

¹⁰¹ The action under this objective particularly contributes to meeting the second country specific recommendation concerning marginalisation, cf. Section 1.1.1. It must also be observed that the Danish Government has stipulated a poverty line in Denmark: http://www.sm.dk/Temaer/sociale-omraader/ekspertudvalg-fattigdom/Documents/Faktaark%201.pdf
same time, the action is in keeping with the country specific recommendations and contributes to the Europe 2020 targets on early school leaving and tertiary education.  

As the table shows, the ESIF actions are expected to contribute to addressing the challenges singled out in Section 1.1. and which the European Commission also indicates in its Position Paper for Denmark. Therefore, the ESIF actions are expected to boost the productivity and competitiveness of Danish enterprises and contribute to developing the agriculture sector and the fishery and aquaculture sector.

**Impact assessment of ERDF and ESF projects**

The ERDF and ESF are expected to contribute to strengthening regional growth and employment, even if the appropriations from the funds are relatively small in proportion to Denmark’s GDP. Generally speaking, both the regional growth forums and the national government are keenly focused on the specific results to be generated by the ERDF and ESF.

All ERDF and ESF projects must set specific measurable objectives for outputs and impacts, and the projects must continuously determine whether the objectives are being achieved. As part of the results orientation, the participating enterprises’ CVR numbers and P numbers and the participating individuals’ civil identification numbers will be registered with and linked to Statistics Denmark’s registries, to make it possible to monitor the actual trends in the enterprises’ employment, value creation, etc., and, insofar as the individual participants are concerned, their rate of employment and level of education and thus – wherever possible and relevant – to compare these data with a control group.

**Impact assessment of the EAFRD programme**

The European Commission and the Member States jointly establish a common monitoring and evaluation framework (CMEF) for the purpose of measuring the results of the Common Agricultural Policy and the framework must cover all measures under the Common Agricultural Policy.

The aim is to measure the EAFRD’s progress, efficiency and impact in relation to the programme targets and objectives set for the individual subsidy schemes by means of a series of national and EU-determined indicators comprising baseline indicators, output indicators, result indicators and impact indicators.

All information about output indicators is gathered in connection with applications for support. The applications for support will be designed so that the applicant must provide relevant information about the measure under which support is being applied for. The information is entered in the case processing system (see Section 4.1), which will make it possible to generate reports which sum up the information submitted by all applicants.

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102 In May 2012, the Danish Government set up a committee of experts tasked with illuminating the various methods of determining poverty and drafting proposals for a Danish poverty line. The committee published its proposal in June 2013, and the Danish Government has adopted the proposal.
Information to be used in the result indicators is usually collected by means of project reporting. The information is entered into the case processing system, from where it will be possible to generate reports.

Data for the impact assessment to be used for the overarching impact indicators is collected by the impartial evaluator. Information concerning the baseline indicators is collected every two years as part of the preparation of the strategic progress report.

Reports on the indicators will be issued as part of the extended status reports in 2017 and 2019, and as an ex post evaluation.

*Impact measurement under the EMFF programme*
*Not yet available.*

1.4. **The indicative allocation of support by the Union by thematic objective at national level for each of the ESI Funds, as well as the total indicative amount of support foreseen for climate change objectives**

The allocation of support will be equally distributed between the ERDF and the ESF in Denmark. It has been endeavoured to distribute the ERDF and ESF appropriations on the individual thematic objectives to observe the requirement for thematic concentration and to ensure that a sufficient volume and critical mass for the individual action is possible. Account has generally be taken of national initiatives, cf. particularly the National Reform Programme.

In distributing the ERDF appropriations, top priority has been given to areas which are expected to be able to ensure Denmark’s productivity growth and competitiveness in the long term. Therefore, most of the appropriations are used for thematic objective 1 for the purpose of increasing the percentage of innovative enterprises. But it is also a substantial challenge to get more enterprises, not least SMEs, to enter a dynamic growth process. For this reason, a substantial portion of the ERDF appropriations are used to increase the number of high-growth enterprises. The 20% of the ERDF appropriations to be used for the shift towards a low-carbon economy in all sectors target activities which at the same time have the potential to promote SMEs’ competitiveness by means of green business models. The ERDF action supplements a number of national initiatives aimed at promoting green growth.

The action concerning integrated sustainable urban development is at the required level of 5%, cf. the CPR. The action supplements the general Danish action concerning integrated urban development.

In relation to the ESF action, highest priority is given to the area in which the greatest challenges have been ascertained and where the ESF action can complement the national action in the most meaningful manner. Even if Denmark allocates substantial resources to educating both youths and adults, the nature of the challenge in the area of vocational/technical schools is deemed to be best met and supplemented by a place-based action at regional level. The same is true of adult

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103 There is some uncertainty about whether the allocation by funds, priorities, thematic objectives, regional types, etc., will be adjusted once the budget is known and the regulatory basis has been adopted.
education programmes where the Danish Government, by virtue of the Growth Plan for
Denmark, encourages the strengthening of adult-education and continuing-education efforts
which should inter alia contribute to upgrading qualifications so that a larger number of
unskilled workers become skilled workers.

Therefore, roughly 40% of total project appropriations are earmarked for an action under
priority axis 4, which is intended to contribute to raising the formal educational qualifications of
the workforce by encouraging more individuals to complete a qualifying training/study
programme at technical/tertiary school level.

Another skills upgrade action is to be carried out under priority axis 1, aimed at growth-orientated skills development and continuing education and where the skill-sets acquired are not required to lead to a higher formal level of education. Instead, the action seeks to increase employment by having the participating individuals/enterprises complete guidance/consultancy processes or take part in various types of skills development processes and continuing education for the purpose of improving enterprise growth. There are also actions targeting entrepreneurship and entrepreneurial culture (consultancy and courses). All told, 40% of the appropriations will be earmarked for the two investment priorities under priority axis 1.

The action in the social inclusion area is kept at a minimum of 20%, as stipulated in the
requirement. This is because Denmark’s challenge in this area, although significant, seems
limited in scope by virtue of Denmark’s finely-meshed social-security safety net and, in the light
of this, Danish efforts in this area are deemed significant, cf. the review of completed and
planned initiatives in Denmark’s 2013 National Reform Programme.

Finally, the European Commission has recommended that labour mobility\textsuperscript{104} be supported, which will be done through the EURES action under priority axis 2. The amount to be allocated for this action is determined on the basis of the previous operating grant to the EURES action.

In relation to types of regions, the basic outlook of both the ERDF and the ESF is that the action relating to Region Zealand does not significantly differ from action required in the rest of
Denmark, and it is expected that the distribution in relation to Region Zealand will follow the
distribution in the rest of Denmark.

The EAFRD contributes funding for implementing a wide range of the Danish Government’s
objectives and actions. Particularly in conjunction with the Danish Government’s Green Growth
agreement, applying to the 2010–2015 period, a number of objectives in the environmental and
nature area have been introduced with funding from the EAFRD. National objectives have also
been determined for the areas of organic agriculture and rural development which are pursued
with programme resources, and the programme action is intended to contribute to following up
on the recommendations of the Commission on Nature and Agriculture and the
recommendations of the Danish Government’s Growth Plans for Food and for Water, Bio and
Environmental Solutions. The vast majority of the action targeting nature and the environment
will support the implementation of the Water Framework Directive and the Natura 2000
directives.

The total framework available for the 2014–2020 EAFRD is less than the framework for the 2007–2013 period. Based on the above, prioritisation is set according to the following indicators:

- directive-boosting actions relating to nature and the environment are to continue at a level that has been assumed up to and including 2015;
- organic-farming actions are to continue at a level supporting the Danish Government’s objectives on doubling the size of organically certified farmland by 2020;
- actions within the growth and competitiveness objectives and the EAFRD will continue but will be adjusted downward in the light of the lower financial framework for the programme compared to the 2007–2013 period;
- the actions under the programme must be simplified.

This prioritisation will be reflected in the indicative breakdown of the budget by EU priorities and thematic objectives, as the vast majority will be used for pursuing the community objective for sustainable management of natural resources and climate initiatives, i.e. primarily through actions under thematic objectives 5 and 6 and EU priority 4.

It is noted that at the commencement of the 2014–2020 programme period, there will be a category of grants already issued from the two preceding programme periods to which support must continue to be paid in 2014–2020, and this will be done using funding from the budget of the EAFRD for 2014–2020. This primarily involves grants issued under the area-payment schemes; these are typically grants with five-year or twenty-year payments, e.g. grants for environmentally farming and grants issued under forestry schemes. However, there will also be grants issued under the project schemes with significant payments outstanding, e.g. the project schemes for wetlands, the establishment of biogas plants and LAG projects. These payments, designated “The tail” are included in the indicative distribution of support from the EAFRD.

A substantial portion of the budget is to be used for actions under thematic objective 5 (promoting climate change adaptation). This is due in part to substantial outstanding payments from the 2007–2013 programme period, cf. the above, and in part to the fact that the budget for EU priority 4 must be allocated as 50% for thematic objective 5 and the remaining 50% for thematic objective 6.

The indicative allocation for the EMFF – awaiting a policy decision.

1.4.1 The indicative allocation of support by the Union by thematic objective at national level and for each of the ESI Funds (EUR)\textsuperscript{105}

<table>
<thead>
<tr>
<th>Thematic Objective</th>
<th>ERDF</th>
<th>ESF</th>
<th>EAFRD</th>
<th>EMFF</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strengthening research, technological development and innovation</td>
<td>87,554,436</td>
<td></td>
<td>16,537,311</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Enhancing access to, and use and quality of, ICT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Enhancing the competitiveness of SMEs,</td>
<td></td>
<td></td>
<td></td>
<td>67,429,072</td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{105} The performance reserve is not shown in the table.
of the agricultural sector (for the EAFRD) and of the fishery and agriculture sector (for the EMFF) 68,002,039

4. Supporting the shift towards a low-carbon economy in all sectors 41,451,729 13,100,671

5. Promoting climate change adaptation, risk prevention and management 256,648,547

6. Preserving and protecting the environment and promoting resource efficiency 214,065,842

7. Promoting sustainable transport and removing bottlenecks in key network infrastructures

8. Promoting sustainable and quality employment and supporting labour mobility 77,759,850

9. Promoting social inclusion, combating poverty and any discrimination 41,477,688 36,443,408

10. Investing in education, training and vocational training for skills and lifelong learning 77,770,666

11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration

Technical assistance 9,607,637 9,607,637 25,175,839

Total 206,615,841 206,615,841 629,400,690

Information relating to the “Youth Employment Initiative (YEI)” programmed under thematic objective 8, “Promoting employment and supporting labour mobility”:

<table>
<thead>
<tr>
<th>Specific allocation for the “Youth Employment Initiative”</th>
<th>Not applicable to Denmark.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Similar funding, ESF</td>
<td>Not applicable to Denmark.</td>
</tr>
</tbody>
</table>

106 The figures can be adjusted in conjunction with the issuance of the EAFRD programme.
Information relating to the allocation for technical assistance in relation to category of region, where appropriate.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Regional category, where appropriate</th>
<th>Allocation for technical assistance (EUR)</th>
<th>Percentage of technical assistance out of the total allocation (in relation to fund or category of region, where appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td>Transition regions</td>
<td>2,100,984</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>More developed regions</td>
<td>8,229,808</td>
<td>5%</td>
</tr>
<tr>
<td>ESF</td>
<td>Transition regions</td>
<td>2,100,984</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>More developed regions</td>
<td>8,229,808</td>
<td>5%</td>
</tr>
<tr>
<td>Cohesion Fund</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EAFRD</td>
<td>NA</td>
<td>25,175,839</td>
<td>4%</td>
</tr>
<tr>
<td>EMFF</td>
<td>NA</td>
<td>Not yet available</td>
<td></td>
</tr>
</tbody>
</table>

ESF’s share in relation to the structural funds (ERDF and ESF) (Article 84(3) and Annex III of the CPR)

| ESF’s percentage of the structural funds’ (ESF and ERDF) resources for operational programmes for the objectives on Convergence and Regional Competitiveness and Employment in the 2007–2013 programme period. | 50% |
| ESF’s minimum percentage in the Member State. | 50% |
| ESF’s percentage of structural fund allocations in the 2014–2020 period. | 50% |

<sup>107</sup> Calculated in accordance with Annex III/CPR.
1.5. The application of horizontal principles and policy objectives for the implementation of the ESI Funds

1.5.1. Arrangements for the partnership principle (with reference to Article 5 of the CPR and Article 15(1)(c) CPR), including an indicative list of partners and a summary of the actions taken to involve these partners as referred to in Article 5 of CPR and their role in the preparation of the Partnership Agreement and the progress report as defined in Article 52 of CPR.

In conformity with Article 5 of the CPR, the Partnership Agreement has come into being in a dialogue between the most important partners who must help to address the challenges to productivity and growth and the characteristic challenges facing Denmark’s agriculture and fishery sectors. Thus, the parties involved have been operators with either a substantial professional interest in or knowledge of the actions to be addressed by the ESI Funds, or who must ultimately take part in the implementation of the operational programmes.

As the managing authorities for the ERDF and ESF and for the EMFF and the EARDF respectively, the Danish Business Authority (Ministry of Business and Growth) and the Danish AgriFish Agency (Ministry of Food, Agriculture and Fishery) have given priority to involving the most important operators in preparing the Partnership Agreement and the operational programmes.

The drafting of the Partnership Agreement was formally launched by a workshop on 27 September 2012, where the regulatory framework and proposals for thematic concentration were presented. The most important parties were directly invited to the workshop, which had also been publicly announced on the Danish Business Authority’s website, www.regionalt.dk. A list of the invitees is enclosed as Annex 1.

For the purpose of coordinating the preparation of the Partnership Agreement, a group comprising representatives of the Ministry of Finance, the Ministry of Foreign Affairs, the Ministry of Food, Agriculture and Fisheries, and the Ministry of Business and Growth (chair) was appointed. In addition an inter-ministerial expert monitoring group (public officers) for the ESI Funds has been established. The inter-ministerial expert monitoring group comprises representatives of the Ministry of Finance, the Ministry of Foreign Affairs, the Ministry of Employment, the Ministry of Children, Gender Equality, Integration and Social Affairs, the Danish Ministry of Climate, Energy and Building, the Ministry of the Environment, the Ministry of Higher Education and Science, the Ministry of Education, the Ministry of Housing, Urban and Rural Affairs, the Ministry of Economic Affairs and the Interior, the Ministry of Food, Agriculture and Fisheries, and the Ministry of Business and Growth. The inter-ministerial group of public officers has held three meetings, and a draft of the Partnership Agreement and a draft of the operational programmes for the ERDF and the ESF were sent for written consultation to the inter-ministerial expert monitoring group. Also, the draft EAFRD programme was sent to the

108 Calculated on the basis of the total sum for the ESI Funds, cf. the first table under Section 1.4.1.
inter-ministerial expert monitoring group in conjunction with the programme’s round of external consultation.

In continuation of the workshop on 27 September 2012 in Odense, three separate workshops concerning the preparation of each of the upcoming programmes were held, where information was also provided about the Partnership Agreement process. The invitees are listed in Annex 2.

In addition, the common strategy across the funds was discussed under the auspices of the Danish Growth Council on 8 November 2012, in the light of the presentation of the European Commission’s Position Paper, including the preparation of a statement about the use of the ESI Funds, with particular emphasis on the ERDF and ESF. The Commission’s Position Paper was presented at an event with European Commissioner Johannes Hahn in Copenhagen on 3 December 2012. Representatives from ministries, regions, appropriate organisations and associations, research and educational institutions, consulting firms, etc., were invited. The invitees are listed in Annex 3.

The Danish Business Authority and the Danish AgriFish Agency provided situational reports about their efforts involving the upcoming programmes and the Partnership Agreement at meetings with the respective expert monitoring committees in the autumn of 2012, the spring of 2013, the autumn of 2013 and the spring of 2014.

The Danish Business Authority and the Danish AgriFish Agency have each separately held a series of bilateral meetings with appropriate ministries (the Ministry of Employment, the Ministry of Children, Gender Equality, Integration and Social Affairs, the Ministry of the Environment, the Ministry of Higher Education and Science, the Ministry of Education, and the Ministry of Housing, Urban and Rural Affairs), and organisations (e.g. the Danish Employers’ Association, Confederation of Danish Trade Unions, Danish Construction Association, Danish Confederation of Industry, Danish Chamber of Commerce, Danish Agriculture and Food Council, Danish Fishermen’s Association, Danish Aquaculture, Danish Ports, Danmarks Fiskehandlere [Danish Fish Retailers], Danish Regions, Local Government Denmark, Danish Bankers Association, the Council for Socially Marginalised People, and Danish organisations for the disabled), associations (e.g. Association of Small Danish Islands, NOC and Sports Confederation of Denmark and Greenpeace) and other stakeholders (Videncenter for Kystturisme [Knowledge Centre for Coastal Tourism] and Visit North Denmark) to be used for preparing the Partnership Agreement and the programmes.

The Danish Business Agency has given presentations about the Partnership Agreement and particularly the ERDF and ESF programmes, both to of the “enlarged” growth-forum secretariats and to regional growth forums (political level). In addition, four meetings were held with regional growth forum secretariats about the Partnership Agreement and the ERDF and ESF programmes at regular intervals in 2013, as well as one separate meeting about financial instruments.

The preparation of the Partnership Agreement concluded with a workshop on 2 December 2013, where the Danish AgriFish Agency and the Danish Business Authority presented and discussed a draft of the Partnership Agreement with appropriate parties. The most important parties were

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109 Public officials representing the Partnership in a growth forum, including representatives from municipalities, regions, labour, management, knowledge and educational institutions and business organisations.
directly invited to attend the workshop, which had also been publicly announced on the Danish Business Authority’s website, www.regionalt.dk. A list of the invitees is enclosed as Annex 4.

The Partnership was presented with the socioeconomic analysis and the challenges identified, thematic objectives, fund-specific strategies, and potential areas in which the funds can support one another, as well as orientation about the results. There has generally been support for the Partnership Agreement’s strategy, including the challenges identified and how to address them.

The Partnership had been particularly instrumental in identifying the appropriate challenges, providing information about these challenges and pointing out appropriate solution models and specific actions deemed capable of addressing the overarching challenges relating to productivity and job creation and to enhancing the development of the agriculture, fishery and aquaculture sectors. The Partnership has continuously contributed to qualifying the content of both the Partnership Agreement and the operational programmes, and the Partnership has helped to describe interfaces with other European funds and nationally-funded initiatives. The contributions provided by the Partnership are assessed on an ongoing basis and will insofar as possible, be incorporated into the preparation of the draft Partnership Agreement and operational programmes. Insofar as the ERDF and ESF are concerned, the Partnership’s involvement has thus largely contributed to ensuring that the programmes’ actions are additional and applicable in relation to the addressable challenges at regional level and which complement the nationally funded action.

In relation to the combined actions under the ESI Funds, Partnership representatives have particularly emphasised the administrative challenges that can arise in conjunction with launching major strategic ventures that possibly need to obtain funding from more than one ESI Fund to succeed in their entirety. The managing authorities, therefore, will give higher priority to ensuring interaction between the regional growth forums and local action groups and between the two Danish agencies when managing projects of this nature.

Denmark must submit progress reports to the European Commission concerning the implementation of the Partnership Agreement no later than 31 August 2017 and 31 August 2019, cf. Article 52 of the CPR. The drafts of these progress reports will be presented to the expert monitoring committees for the four ESI Funds. The monitoring committees will have representatives from the most important operators in relation to the implementation of the Partnership Agreement.

1.5.2. Promotion of equality between men and women, non-discrimination and accessibility (with reference to Article 7 of CPR)

Equality between men and women and non-discrimination

Anti-discrimination and accessibility for persons with disabilities are general principles in Danish society, and Denmark’s current rules of law governing discrimination and accessibility must be observed by projects under the ESI Funds. In addition, public authorities must observe the UN Convention on the Rights of Persons with Disabilities, which describes universal design and accessibility not only to buildings but also to products and services in

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110 Consolidated Act No. 1349 of 16 December 2008 (Anti-Discrimination Act) and the Danish Building Code (bygningsregelementet.dk).
general. Pursuant to Danish law, all employers, authorities and organisations within public administration and public enterprise are prohibited from discriminating on the basis of gender.

The actions under the four funds are basically organised to avoid promoting gender policy aims or serving discriminatory purposes. If it turns out to be specifically applicable, regional growth forums can launch projects aimed at special target groups, including women, youths, persons with disabilities, people whose ethnicity is not Danish, etc.

The overall coordination and monitoring of the programmes is attended to by monitoring committees made up of representatives of regional and local authorities, social partners, management and financial interest organisations and other appropriate bodies representing civil society. Procedures for setting up the committee will be used to ensure, *inter alia*, the equal representation of men and women.

Also, the approval of local action groups will include taking into account that there is equal representation of women and men. The consideration of equal representation of men and women must similarly be observed for the establishment of regional growth forums.

Steps will be taken for the implementation of the programmes under the ESI Funds to ensure that the principles of non-discrimination and equal opportunity, including access, are complied with. Danish legislation which implements the programmes under the ESI Funds will stipulate the conditions for receiving aid. Implementation of administrative control, including the requirement for dual case processing and physical control, will ensure compliance with the rules on an ongoing basis. In addition, an avenue for complaint will be established to ensure a renewed review of the application by a different authority.

No applicant will be prevented from applying for or qualifying for aid under the ESI Funds on the basis of gender, race or ethnicity, religion or beliefs, disabilities, age or sexual orientation. These personal factors – except for age, if the application is submitted by an individual aged 17 or less – will not be included in the assessment of an application. The assessment will only include factors of significance to the implementation of the project or compliance with the application and commitment terms.

If a number of applications received under the ERDF and ESF are assessed as being of similar quality, priority will be given to applications that best take account of the considerations of equal opportunity, non-discrimination and gender equality.

In general, the requirements of the applicable regulations concerning the registration of various participant characteristics, for instance, will be met, and it is not assessed as being necessary to introduce additional monitoring or evaluation initiatives.

*Accessibility*

Danish legislation which implements the programmes under the ESI Funds will stipulate the conditions for receiving aid. Applications for resources from the ESI Funds can be sent to the appropriate authorities which serve as the point of entry for the funds (see Chapter 2). The

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111 Consolidated Act No. 1095 of 19 September 2007 (Equal Rights Act).
Danish Business Authority’s website complies with current Danish regulations about accessibility for persons with disabilities.

1.5.3. Sustainable development (with reference to Article 8 of CPR)

In the programmes, Denmark will observe to the requisite extent and where appropriate the provisions of Article 8 of the CPR on sustainable development within the framework of the Partnership Agreement and the overarching strategy of the programmes.

The basic intent of the actions under the ESI Funds is to make a positive contribution to sustainable development, cf. Article 8 of the CPR. Thus, the ESI Funds cannot be used to implement already applicable requirements for reducing environmental impact, including e.g. the implementation of statutory requirements for individual enterprises’ environmental efforts or clean-up after earlier pollution. There is an exception for the EAFRD, however, as it is possible to grant support for the implementation of the Natura 2000 directives and the Water Framework Policy Directive, e.g. for the establishment of buffer strips.

To the extent that support is granted under the ESI Funds for the implementation of initiatives directly affecting enterprises, such as the purchase of equipment, including machinery or other technology capable of promoting productivity in the Danish business community, support will be contingent on the fact that the equipment and its use complies with applicable regulations, both national and EU regulations. It must be endeavoured to ensure that any solution funded via the ESI Funds is as eco-friendly as possible. It will be up to the enterprises which receive support from the funds to ensure that applicable legislation is complied with and that the enterprises endeavour to use solutions which are as eco-friendly as possible.

As a minimum, it must be endeavoured to neutralise the environmental impact of actions under the ESI Funds. If, contrary to expectation, it turns out that ESI-funded initiatives have a negative environmental impact, the responsibility for clean-up or similar will be the sole responsibility of the beneficiary.

Under the ERDF, projects with a positive effect on the environment will take precedence. The environmental impact of the ESF is expected to be neutral.

Climate change

All projects under the ERDF’s priority axis 3 must contribute to improving SMEs’ energy efficiency and resource efficiency, and all projects under priority axis 4 must contribute to reducing energy consumption in urban areas with a population of more than 30,000. These actions are expected to have a positive environmental impact.

It is also expected that projects will be launched under both priority axis 1 (innovation) and priority axis 2 (SME growth) which will have a positive environmental impact. It is also expected that there will be ESF projects concerning skills development aimed at helping to improve the climate by improving energy efficiency and resource efficiency. Positive environmental impact will, however, not be a special positive selection criterion under the ERDF or the ESF.

The actions under the EAFRD will generally be organised so they can pursue the climate objectives wherever possible, including reducing agriculture’s greenhouse gas emissions.
Positive synergies will be sought between actions promoting nature-related, environmental and climate objectives in agriculture and forestry, as the general aim of the actions will be broadened to also include climate considerations.

The following instruments under the EAFRD programme are functional in relation to climate considerations, as they effectively increase carbon sequestration: planting forests, organic farming, removing carbon-rich formerly-wetland soil from operation, establishing and maintaining wetlands on farmland and laying out river valleys to reduce leaching of nitrogen and phosphorous and the restoration of natural hydrology in Natura 2000 areas.

The following instruments under the programme are multifunctional in relation to climate considerations, as they can contribute to reducing the consumption of energy, water, chemical nutrients or pesticides in agriculture: investment in environmental technology in agriculture, promoting conversion to bioeconomy, investment in organic farming, environmentally contingent support, as well as knowledge transfer and information activities.

Under the EMFF, it will be possible to indirectly promote the prevention of climate change through measures contributing to the improvement of biodiversity, fishery management and improving biological consultancy, as well as through more direct measures which improve resource efficiency, e.g. energy-efficiency initiatives in the fishery and aquaculture sector.

1.5.5. Horizontal policy objectives
Horizontal policy objectives have not been set out for Denmark’s ESIF actions.

1.6. List of the programmes under the ERDF, the ESF, the Cohesion Fund, except those under the European territorial cooperation goal, and of the programmes of the EAFRD and the EMFF, with respective indicative allocations by ESI Fund by category of region (where appropriate) and by year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EAFRD</td>
<td>629,400,690</td>
<td>90,287,658</td>
<td>90,168,920</td>
<td>90,047,742</td>
<td>89,924,072</td>
<td>89,798,142</td>
<td>89,665,537</td>
<td>89,508,619</td>
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<tr>
<td>ERDF</td>
<td>206,615,841</td>
<td>21,958,354</td>
<td>22,693,511</td>
<td>25,632,737</td>
<td>33,076,883</td>
<td>33,738,642</td>
<td>34,413,628</td>
<td>35,102,087</td>
</tr>
<tr>
<td>ESF</td>
<td>206,615,841</td>
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<td>25,632,737</td>
<td>33,076,883</td>
<td>33,738,642</td>
<td>34,413,628</td>
<td>35,102,087</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

1.7. Request for transfer of structural fund allocations between categories of region where possible (Article 93 of CPR)
Not applicable to Denmark.

1.8. Transfer from the European territorial cooperation goal to the Investment for growth and jobs goal, where possible (Article 94 of the CPR)

<table>
<thead>
<tr>
<th>Transferred to</th>
<th>Sum transferred (EUR)</th>
</tr>
</thead>
</table>
### Less developed regions

<table>
<thead>
<tr>
<th>Category of region</th>
<th>Total EU support (EUR)</th>
<th>Equivalent ESF support for YEI (EUR)</th>
<th>CAP transfers</th>
<th>EU support covered by the performance reserve (EUR)</th>
<th>Performance reserve (EUR)</th>
<th>Performance reserve as a percentage of EU support covered by the performance reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td>164,596,155</td>
<td></td>
<td></td>
<td></td>
<td>9,875,769</td>
<td>6%</td>
</tr>
<tr>
<td>Transition regions</td>
<td>42,019,686</td>
<td></td>
<td></td>
<td></td>
<td>2,521,181</td>
<td>6%</td>
</tr>
<tr>
<td>Less developed regions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special allocation to peripheral areas or thinly populated regions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total ERDF</strong></td>
<td>206,615,841</td>
<td></td>
<td></td>
<td></td>
<td>12,396,950</td>
<td>6%</td>
</tr>
</tbody>
</table>

### More developed regions

<table>
<thead>
<tr>
<th>Category of region</th>
<th>Total EU support (EUR)</th>
<th>Equivalent ESF support for YEI (EUR)</th>
<th>CAP transfers</th>
<th>EU support covered by the performance reserve (EUR)</th>
<th>Performance reserve (EUR)</th>
<th>Performance reserve as a percentage of EU support covered by the performance reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESF</td>
<td>164,596,155</td>
<td></td>
<td></td>
<td></td>
<td>9,875,769</td>
<td>6%</td>
</tr>
<tr>
<td>Transition regions</td>
<td>42,019,686</td>
<td></td>
<td></td>
<td></td>
<td>2,521,181</td>
<td>6%</td>
</tr>
<tr>
<td>Less developed regions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total ESF</strong></td>
<td>206,615,841</td>
<td></td>
<td></td>
<td></td>
<td>12,396,950</td>
<td>6%</td>
</tr>
</tbody>
</table>

1.9 Request for transfer of technical assistance (Article 25 of the CPR)
Not applicable to Denmark.

1.10. Information on the allocation concerning the performance reserve, by individual ESI Fund and, where appropriate, by category of region, and by amounts that are omitted for the purpose of calculating the performance reserve
<table>
<thead>
<tr>
<th>Fund</th>
<th>NA</th>
<th>629,400,690</th>
<th>0</th>
<th>629,400,690</th>
<th>37,764,041</th>
<th>6%</th>
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<tbody>
<tr>
<td>ELFUL</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cohesion Fund</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMFF</td>
<td>NA</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>6%</td>
</tr>
<tr>
<td>Total (all allocations)</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Section 2

2. Arrangements to ensure effective implementation (Article 15(1)(B) CPR)

2.1. The arrangements, in line with the institutional framework of the Member State, that ensure coordination between the ESI Funds and other Union and national funding instruments and with the EIB

2.1.1. Description of the arrangements to ensure coordination between the ESI Funds and with other Union and national funding instruments.

Section 1.3 describes how the four ESI Funds can be complementarily applied and specifies where purely content-related synergy among the actions across the four funds is expected. By means of the operational programmes, it has been endeavoured to avoid overlap between the four funds and to ensure transparency in terms of which actions can be supported and where. In conjunction with drafting of the operational programmes, it has also been endeavoured that the possibilities under the ESI Funds do not overlap with other EU-funded instruments or national initiatives, cf. also below.

It is characteristic of a number of the other EU-funded instruments that they require the participation of partners from more than one Member State, which is atypical for projects under the ESI Funds.

As described in Section 1.3, the four funds are expected to support one another in selected areas, including in instances where major strategic ventures can be launched and where these ventures can benefit from being eligible for support from different funds for different phases or actions.

In a Danish context, the four ESI Funds can be expediently regarded in a two-by-two correlation, but coordination between all four funds must be ensured as well.

Coordination between the EMFF and the EAFRD

The Danish AgriFish Agency is the managing authority for both the EAFRD and the EMFF in Denmark. A monitoring committee will be set up for each of the two funds. Each of the expert monitoring committees will be made up of representatives from, inter alia, appropriate ministries and key business and stakeholder organisations, social partners, regional growth forums, Danish Regions, Local Government Denmark, the European Commission, etc.

The EAFRD and EMFF programmes will be managed in parallel and, as mentioned, by the same managing authority, which means that the support granted under these two programmes will be coordinated at all levels of the day-to-day case management and administration. Investment projects under the EMFF and EAFRD have different target groups, however, which will seemingly minimise the risk of duplicate funding. Investments under the EMFF target primary fishery and fish-processing enterprises, whereas EAFRD investment targets farms, nurseries and enterprises which process agricultural products.

In relation to the specific case processing, when an applicant is set up in the BTAS system, this will automatically trigger a review of other cases registered under the same CVR number under
the auspices of the Danish AgriFish Agency. This makes it possible to check whether applications for support exist for the same project, the same title or similar titles under other subsidy schemes – or under a different programme.

Coordination between the ERDF and ESF

The Danish Business Authority is the managing authority for both the ERDF and the ESF in Denmark. A joint monitoring committee has been set up for these two funds. The expert monitoring committee includes representatives of the most important business-policy and employment-policy operators and contributes to ensuring that the implementation of the ERDF and the ESF are viewed in a strategic context and that they support one another.

It is largely the six regional growth forums which prioritise the ESF and ERDF appropriations in Denmark. All regions have set up one growth forum during the 2007–2013 period. In addition, Bornholm has had its own growth forum. The regional growth forums represent the Partnership at regional level and contribute to on the business and growth-oriented aspects, including in relation to peripheral areas, regional growth and development strategies. They also prepare annual action plans focusing on selected topics that need to be supported in the short term for the purpose of generating regional growth and employment (smart specialisation). From 2014, the regional business development strategies, including actions targeting peripheral areas, will form part of a combined growth and development strategy for the individual regions. The regional growth and development strategies, including growth forums’ description of actions for peripheral areas within the region, and growth forums’ action plans, lay the groundwork for growth forums’ prioritisation of the ERDF and ESF funds before recommending the use of the funds to the Danish Business Authority, which verifies the legality of the recommendations, issues commitments and rejections, and manages the follow-up case processing.

The regional growth forums also have the right of recommendation for the regional development appropriations for business purposes, and the Regional Council decides how these should be used. These resources are also used to support the implementation of the regional growth and business development strategies and can be used as part-funding of ERDF or ESF appropriations for implementing activities outside the framework of the operational programmes but within the strategies. The Regional development appropriations for business purposes can also be used to part-fund LAG projects, for instance.

As regional growth forums have the right of recommendation for both ERDF and ESF appropriations, the regional growth forums basically ensure that no projects receive duplicate funding, but that the resources are complementarily applied. In the 2007–2013 period, there were a number of examples of projects which had both an ERDF-oriented segment and an ESF-oriented segment.

A common website has been established for the ERDF and the ESF in Denmark. The website – www.regionalt.dk – includes news about new ERDF and ESF projects and information about the application process, programmes, annual reports, evaluations, etc. All applicable material

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112 See below as regards the implementation of the 5% for sustainable urban development under the ERDF programme and the EURES action under the ESF programme.
113 Agreement between the Danish Government, the Liberal Party, the Danish People’s Party, the Red-Green Alliance, Liberal Alliance and the Conservative People’s Party on the Framework for adjusting the local government reform (26 June 2013).
relating to the two funds is gathered there, and there are also links to the websites of the regional
growth forums. Applications for funding from the ERDF and the ESF are to be submitted
electronically. The application form is available on www.regionalt.dk. The regional growth
forums’ websites define the eligibility requirements for support through the regional growth
forum concerned, including the requirement that the action should support the implementation
of the regional growth and business development strategy and the action plans, for instance.

The Danish Business Authority’s website also has a common project database for the ERDF and
the ESF. The project database clearly shows which projects are funded under the ERDF and
which are funded under the ESF, but it is also possible to search for projects across the funds,
including by way of free-text searches or using key search terms such as entrepreneurship,
innovation, education and training.

In addition to this, the Danish Business Authority has overarching responsibility at national level
for the implementation in Denmark of programmes under ETC in which Denmark participates.
The Danish Business Authority is a member of the expert monitoring committees in both the
national ERDF and ESF programmes and the ETC programmes, which makes it possible to
coordinate both the drafting and the implementation of the programmes. At regional level, the
coordination is made possible through the regions and growth forums.

All Danish regions are covered by the transnational ETC programmes, and the regional growth
forums are represented on the committees that determine which projects should receive support
under the individual transnational programme. The growth forums’ simultaneously key positions
in the national ERDF and ESF programmes enable coordination so that both types of
programme can be used for implementing the regional development strategies.

As the regional growth forums are responsible for regional business-policy actions, it is also the
regional growth forums which are largely responsible for coordinating the ERDF and ESF
actions with the appropriate funding possibilities besides the regional development resources.
The “regional growth partnerships”, which are strategic cooperation agreements between
regional growth forums and the Danish Government, have contributed to strengthening the
collaboration between growth forums and the individual ministries and have resulted in the
implementation of a number of specific collaboration projects. In general, the growth forum
secretariats have a good overview of applicable national funding possibilities in relation to
innovation, entrepreneurship, utilisation of new technology and education, green development
projects, etc., and can therefore guide prospective applicants concerning the possibilities of
funding the activities wished for and ensure interfaces between funding from the ERDF, ESF
and national schemes, as well as other EU-funded initiatives, cf. also point 2.1.2 below.

Funding for projects is always applied for from either the ERDF or the ESF, and the application
must specify whether resources have been applied for from other sources, including the EAFRD
or the EMFF, for instance. All case officers manage cases from both funds; this means that, as
part of the case management, automatic screening will determine whether the activities
described actually belong under the fund applied for or deservedly concern both funds, for
instance. As part of the legality verification, attention also focuses on the combination of project
funding, including checking that ERDF projects or ESF projects do not receive duplicate
funding.
**Special action concerning sustainable urban areas under the ERDF**

The 5% of ERDF resources which are to be used for sustainable urban development are not implemented by regional growth forums. The resources for green sustainable urban development are to be recommended by a special recommendation committee with representatives from the Ministry of Housing, Urban and Rural Affairs (chair), the Ministry of Climate, Energy and Building, the Ministry of the Environment, Local Government Denmark, three members jointly recommended by the regional growth forums, as well as two members with technical knowledge about urban areas, e.g. from a knowledge or research institution, recommended by Local Government Denmark.

The administration of the recommendation committee is jointly provided by the Danish Business Authority, the Ministry of Housing, Urban and Rural Affairs, and the Ministry of the Environment to ensure the technical quality of the recommendations relating to the ERDF, urban issues and environmental issues. Communication relating to the implementation (call for applications, announcing the granting of funds, collection of empirical data, etc.) is managed by the Ministry of Housing, Urban and Rural Affairs as coordinator, together with the Ministry of the Environment and the Danish Business Authority.

The Danish Business Authority is also the managing authority for these funds and ensures the coordination of the action with the other ESI Funds by means of the case management, etc., cf. above. As three members of the recommendation committee members are appointed by the regional growth forums, it will also be endeavoured to coordinate this with the rest of the action.

**Special action concerning EURES under the ESF**

Funds are allocated under the ESF for the implementation of EURES activities in Denmark. The resources are allocated as a project commitment to the authority designated to manage the national component of the EURES action. In conjunction with the preparation of the applications for resources from the ESF programme, the applying authority must consult with the regional growth forums concerning how the action can support the regional business policy development, including by taking account of any problems relating to foreign labour. This ensures coordination with the employment policy development in the regions and with any appropriate activities in the regional growth forums.

**Coordination between the ESI Funds**

Actions under the ERDF and ESF programmes will be coordinated with actions under the EAFRD and EMFF by means of various mechanisms, including the Danish Business Authority’s and the Danish AgriFish Agency’s mutual representation on the monitoring committees for the funds.

It is also intended to hold coordination meetings as required between the managing authorities for the ESI Funds for the purpose of, for instance, discussing the status of the Partnership Agreement and the progress of the operational programmes.
2.1.2. Description of arrangements to ensure coordination of the ESI Funds with other Union and national funding instruments and with the EIB.

A number of other EU-funded instruments can be used to support the Europe 2020 Strategy. The interfaces between ESIF actions and a number of the most relevant initiatives in a Danish context are described below.

**Common Agricultural Policy (CAP) and the EAFRD**

Rural development policy is an integral aspect of the Common Agricultural Policy (CAP) and complements the direct support under the CAP, including by promoting sustainable and competitive agricultural and forestry production, promoting positive externalities from agriculture, including on the environment, climate and nature, promoting employment and diversification of the economy in agriculture and rural areas.

The EAFRD programme integrates measures to improve the agricultural sector’s competitiveness and the sector’s environmental sustainability, as the two objectives are mutually interdependent. For instance, an action to promote new environmental technology in agriculture will promote competitiveness and also help the environment and nature.

The EU’s rural development policy is introduced in recognition of the fact that developments in rural areas are generally slower than the rest of Denmark. There is also a tendency for agriculture’s importance for employment in rural areas to be waning. Therefore, EAFRD policy must contribute to improving the living and working conditions in rural areas and ensure that the soil and nature are managed on the basis of the “more for less” principle and sustainability for the benefit of future generations.

Since the reform of the EU’s CAP in 2003, the EU’s direct agricultural support has been converted to decoupled support in the form of the single payment scheme (SPS), and there are only limited possibilities of granting coupled support. The purpose of this is that farmers should plan their own production to a greater degree in accordance with market signals, instead of organising their production planning according to what generates the highest support. Also, in order to be eligible for support under the SPS, the farmer must comply with a number of conditions concerning the use of fertilisers and pesticides, nature considerations, animal welfare, environmental focus areas, permanent grasslands, multicrop farming and maintaining farmland in good agricultural and environmental condition. The EAFRD must interact with the SPS concerning compliance with the greening and cross-compliance requirements in this respect.

The EU’s CAP reform in 2013 introduced a certain degree of budget flexibility between the pillars, whereby, at the start of the budget period, a Member State can choose to transfer a certain percentage of its direct support under the first pillar to be used under the second pillar. The use of resources transferred from the first to the second pillar will not require national part-funding.

New rules for cross-compliance and new green conditions for eligibility for direct agricultural support involve a new basis for payments under the second pillar, whereas payments for environmentally and climate-friendly agricultural measures (ECA schemes), organic area aid and actions for implementing the Water Framework Policy Directive may only be used to pay for measures that exceed the baseline. The baseline comprises the cross-compliance
requirements, the greening requirements in the first pillar, the requirements and legislation governing fertilisation and plant protection products, as well as national statutory requirements.

The new green conditions for being eligible to receive direct agricultural support will involve a new practice for the area aid payments under the second pillar, where payment may only be given to measures that go beyond the applicable support requirements for the first pillar. The new rules will make it possible for Member States to decide that certain area aid measures under the second pillar will be included for fulfilling the requirements in the green component of the first pillar as so-called equivalent measures, e.g. the requirement to maintain or establish at least 5% of a farm’s area as an environmental focus area. To avoid duplicate funding of the greening requirements under the first and second pillars, payment issued under the ECA measures which may be included as equivalent may not fully compensate the farmer’s compliance with the greening requirements. A national decision pursuant to upcoming EU regulations and implementation provisions needs to be made concerning the extent to which and with which set-off degree the green requirements should be included in the calculation basis for the area aid schemes under the second pillar.

**Horizon 2020**

Horizon 2020 must help to bridge the gaps between research and the market, for instance, by helping innovative enterprises to develop their technological breakthroughs into viable products with genuine commercial potential.

Horizon 2020 also includes a series of activities intended to support capacity building within research and innovation, and thus help to narrow the so-called “research and innovation divide” in Europe. This will be supported by, for instance, the twinning programmes, international networking programmes and support for the development of efficient research and innovation policies.

**Coherence between Horizon 2020 and the ESI Funds**

For the 2014–2020 period, it has been made easier for beneficiaries to pool resources particularly from the ERDF and Horizon 2020. It has been made possible to grant resources to the same project from both the ERDF and Horizon 2020 provided that resources are used to cover different activities. In accordance with the Commission’s recommendations in leaflets 24 and 29, the Danish Business Authority will look into the possibility of beneficiaries under the ERDF programme being able to use the charts of accounts for Horizon 2020 under priority axes 1 and 3. As the basic factors relating to assessments of state aid/non-state aid, subsidy rates, control, verification, advance payments, etc., will continue to be different, however, in the two funds, it is difficult to determine in advance whether it will be possible to accommodate beneficiaries’ expectations of the administrative benefits of using the Horizon 2020 chart of accounts.

However, the interplay between Horizon 2020 and, for example, the ERDF, is expected to be such that the funds can finance their own separate phases in a combined project. Insofar as the ERDF is concerned, for instance, it will be up to the regional growth forum secretariats to draw attention to the support possibilities under Horizon 2020 and the ERDF respectively, including as this relates to the individual project. Horizon 2020 requires the participation of foreign partners, which is not an option under the ERDF or the ESF.
LIFE
The EAFRD is expected to include a series of initiatives in the area of nature, the environment and climate, which can be supported and completed by the LIFE programme. This applies, for instance, to the implementation of nature plans, interconnected habitat networks, implementation of large-scale regional environmental actions, and particularly climate adaptation projects. In Natura 2000 areas, LIFE funding enables the purchase of land, compensation payments to landowners, and implementation of initial interventions and capital investment. Also, the possibilities under the EAFRD, e.g. concerning improved hydrology and preparation for grazing, could be used to supplement and maintain the action under LIFE, and development and coordination tasks could be funded via LIFE.

The EMFF aims for an environmentally sustainable fishery policy, including actions to preserve and protect the aquatic environment. This could include the restoration of biotopes that are important habitats for fish and shellfish, for instance. These actions will contribute to the fulfilment of obligations in the Water Framework Directive, the Marine Strategy Framework Directive, the Habitats Directive and the Birds Directive associated with fishery activities. In this respect, LIFE can contribute initiatives in continuation of or complementary to EMFF initiatives.

In relation to the ERDF programme, the objectives converge as regards the shift towards a low-carbon economy, resource efficiency and recycling, as well as innovation relating to energy efficiency and the LIFE programme.

COSME
COSME’s actions are primarily related to thematic objective 3 within the ERDF programme (SME competitiveness) and thematic objective 8 within the ESF programme (entrepreneurship). Under COSME, support is given to projects and initiatives within four action areas based on annual work programmes that are adopted after the investigation procedure, which also explains why contents vary. The projects/initiatives are called for through rounds of applications and are carried out by consortiums comprising operators from across the EU Member States. In this context, it is possible for Danish SMEs to take part in collaborations with operators from other EU Member States. COSME assumes that projects are based on framework conditions rather than on the development of the individual enterprise.

In addition, Danish enterprises can gain access to capital through the financial instruments under COSME (provided that financial brokers are established in Denmark) and receive assistance for partner searches through the Enterprise Europe Network under COSME. The interplay between COSME and the ERDF and the ESF is expected to be such that the funds can finance their own separate phases in a combined project.

Employment and Social Innovation (EaSI) programme
The Employment and Social Innovation (EaSI) programme supplements the ESF’s objectives of increasing employment and social inclusion. The programme effectively supports partnerships in the EU for the purpose of carrying out and generating ownership of common social and employment policies. This is done through information and knowledge sharing, involving political discussions, implementation of empirically-based social and employment policies at European level, as well as the integration of interdisciplinary policy areas of employment, working conditions, social integration and social protection.
EaSI integrates the following three existing programmes:

- the PROGRESS programme (Programme for Employment and Social Solidarity). 61% of the total budget; The programme focuses on employment (20%), social integration, social protection and the reduction and prevention of poverty (50%) and working conditions (10%).

- **EURES** (European Employment Services): 18% of the total budget. EaSI funds the transnational elements of the action in particular (see also Section 1.3).

- access to micro-finance and social entrepreneurship (21% of the total budget), which includes assistance for individuals who wish to start up their own enterprise or to promote social inclusion. This is provided through loans approved by the European Commission and the European Investment Fund and is funded by the European Investment Bank.

**EU Programme for Education, Training, Youth and Sports (ERASMUS)**

With Erasmus for All, the European Commission gives priority to the programme’s European added value. This means that a project must involve activities that could not easily have been supported at national level, and the activities must have an effect reaching beyond the benefits gained by the individual participant.

Thus, Erasmus for All particularly focuses on actions of a transnational nature, whereas the ERDF and ESF must particularly support national and regional actions. Erasmus for All must continue to provide support to the area of adult education when it comes to transnational mobility or cooperation. The ESF will to a greater extent support the workforce’s skills upgrade and training and improve the access of under-represented groups to vocational training, for instance.

In particular, the interplay between Erasmus for All and the ESF primarily consists of the first-mentioned focus on activities of a transnational nature and students, whereas the ESF, for instance, can intensify its focus on national and regional actions and on the labour market, and improving the skill-sets of the workforce.

**The Asylum and Migration Fund (AMF) and the Internal Security Fund (ISF)**

There is no risk of overlap between the ESIF action and the AMF, as Denmark does not participate in this fund. On the other hand, Denmark takes part in the instrument for financial support for the management of the outer borders and the joint visa policy under the Internal Security Fund. Under this instrument, initiatives within border control, infrastructure and equipment can be initiated – initiatives that would not be eligible for support under Denmark’s ESI programmes, and for this reason there will be no overlap either.

**New Entrants Reserve**

New Entrants Reserve is not applicable in relation to the ESI Funds in a Danish context.

**Connecting Europe Facility**

The Connecting Europe Facility is expected to include possibilities for improving access to funding options with long repayment times for projects concerning the roll-out of broadband, which could make it possible to realise projects that would not have been possible with short-term financing options. This will not involve direct support for projects, but the Commission has
announced an action relating to small urban communities in rural areas where technical assistance, etc., must promote potential projects. This approach is expected to be able to support the primarily market-driven roll-out of broadband in Denmark. The ERDF and ESF will not be able to be used for rolling out broadband in Denmark. Under the EAFRD, measures will not be initiated under the focus area “Improving access to, the use of and the quality of ICT in rural areas”, but it will be possible to pursue the objective locally to a limited extent as part of the LAG action under a different focus area under the EAFRD.

**Fund for European Aid to the Most Deprived**
The Fund for European Aid to the Most Deprived and the ESF both support social inclusion. The purpose of the action under the ESF is to increase employment for individuals on the periphery of the labour market, including by increasing the number of disadvantaged youths who receive a youth education, and contribute to ensuring that individuals far removed from the labour market enter through employment-enhancing induction processes, or that employment is promoted by way of socioeconomic enterprises. The action under the Fund for European Aid to the Most Deprived will be aimed to a greater extent at a social action targeting the most deprived groups in society and will therefore have a social and health aim, rather than an employment aim. The specific interfaces between the ESF and the Fund for European Aid to the Most Deprived will be described in the operational programme for the Fund for European Aid to the Most Deprived.

2.2. The information required for ex ante verification of compliance with the rules on additionality
The section is not applicable to Denmark.

2.3. A summary of the assessment of the fulfilment of applicable ex ante conditionalities in accordance with Article 19 and Annex 11 CPR for which national bodies are responsible and of the actions taken and the timetable for their implementation, where ex ante conditionalities are not fulfilled

In the following, the applicable general and thematic or fund-specific ex-ante conditionalities are described, where national authorities are responsible for fulfilling the ex-ante conditionality.
2.3.1. A summary of the assessment of the fulfilment of applicable ex-ante conditionalities at national level

The ERDF and ESF are predominantly implemented at regional level, but ex-ante conditionalities must be fulfilled at national level. It is generally assessed that Denmark fulfils all ex-ante conditionalities insofar as the ERDF and ESF are concerned, cf. below. The same applies to the EAFRD.

Overview of the fulfilment of applicable ex-ante conditionalities at national level for the ERDF and ESF programmes

<table>
<thead>
<tr>
<th>Applicable ex-ante conditionality for which national bodies are responsible</th>
<th>Applicable ex-ante conditionality fulfilled: Yes/No/ Partially</th>
<th>Criteria</th>
<th>Criteria fulfilled? Yes/No</th>
<th>Reference (if fulfilled)</th>
<th>Explanation (where appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Thematic objective 1:</strong> There is a national and/or regional strategy in place for smart specialisation – on a par with the National Reform Programme – to attract private investment in research and innovation which is characteristic of well-functioning national and regional research and innovation systems.</td>
<td>Yes</td>
<td>There is a national or regional strategy in place for smart specialisation, which: • is based on a SWOT or similar analysis to concentrate the action on a limited series of research and innovation priorities; • outlines measures for stimulating private R&amp;D investment; • contains a monitoring mechanism. A framework for available budget funds for R&amp;D has been adopted.</td>
<td>Yes</td>
<td>Denmark has a number of actions relating to innovation and development of clusters, as well as smart specialisation, including: • the Danish Government’s innovation strategy; • Denmark’s Innovation Fund; • the Danish Government’s network and cluster strategy; • regional growth and development strategies from the regional growth forums; • regional growth partnerships; • The ERDF and ESF. The description is based on growth forum strategies which in turn are based on analyses of strengths and weaknesses, cf. Article 10(2) of the Business Promotion Act. Both public-sector and private-sector players are expected to contribute to</td>
<td>In its Position Paper, the European Commission indicates that Denmark does not meet the ex-ante conditionality concerning a smart specialisation strategy. In Denmark’s assessment, however, the ex-ante conditionality is met. There is not a single combined Danish strategy for smart specialisation, but a series of strategies which jointly describe Denmark’s action for smart specialisation. In the regional growth partnerships for 2013, the regional growth forums and the Danish Government have agreed that the regional growth forums must contribute in following up on the growth plans in areas which also support the unique regional positions of strength (regional smart specialisation). It will be possible for the regional</td>
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</table>
the implementation of regional smart specialisation initiatives. A large percentage of the part-funding of both the ERDF action and the ESF action will be provided by private-sector enterprises participating in the programmes.

The ERDF programme shows the specific priority axes that are expected to contribute to smart specialisation.

Cf. the Act on Business Promotion and Regional Development, the Danish Growth Council follows up on the regional growth partnerships and must monitor the progress of the agreements. The Danish Growth Council must also prepare a common framework for evaluating across the growth forums.

Budget:
- Finance Bill allocations to R&D&I activities, including regional development funds;
- ERDF and ESF resources;
- the Danish Innovation Fund;

The regional growth forums, on the basis of the regional growth and development strategies, to target their actions in relation to regional business strengths and to address special challenges in the area, thus supplementing and contributing to the implementation of national growth actions based on the possibilities within the individual areas. In this way, the regional growth forums contribute to converting the Danish Government’s growth plans in selected business areas into specific actions under consideration of the strengths existing within the region.

The regional growth forums have the right of recommendation over most of the ERDF and ESF appropriations. The resources must be used within the framework of the ERDF and ESF programmes, both of which emphasise the significance of supporting regional strengths, and they must be used with the regional growth and development strategies which enumerate the regional strengths. Against this background, it must be expected that ERDF and ESF resources will in essence support smart specialisation in Denmark.

| Thematic objective 8: Labour market institutions are modernised and strengthened in the light of the employment guidelines. The reforms of labour | Yes | Initiatives for reforming the job centres for the purpose of giving them the capacity to provide the following:
- individualised services and active and preventive labour-market measures early on which are open to all job seekers and focused | Yes | Act to implement an active employment policy. Consolidated Act No. 706 of 28 June 2012.
Chapter 7 on contact processes and Chapter 8 on active provisions.
Chapter 6 of Consolidated Act No. 706 of 28 June 2012 and Chapter 10 of Consolidated Act No. 731 of 15 June | With the act to implement an active employment policy and the act on the management of employment policy, in principle Denmark complies with all the ex-ante conditionalities insofar as the action and management of the employment efforts, including the involvement of labour and management is concerned. |
| market institutions are based on a clear strategic framework and preceding assessment which includes the gender dimension. | on individuals at greatest risk of social exclusion, including individuals from marginalised communities; comprehensive and transparent information about new vacancies and employment possibilities under consideration of shifting needs in the labour market. The reform of the job centres must include the establishment of formal or informal cooperation arrangements with appropriate stakeholders. | 2010 on jobnet.dk. The act to implement an active employment policy contains detailed regulations for the job centres’ intensive contact processes with various target groups, specified by age, length of unemployment and provider group. (Unemployment benefits, cash benefits, sick benefits). The act also includes regulations concerning activation instruments and about when, for how long and with which labour-market purpose the activation is to be carried out. The intensive contact process and activation efforts are largely aimed at the most disadvantaged groups in the labour market but theoretically include all unemployed individuals receiving income transfer. Accessible statistics, calculated at job-centre level, have been set up describing the unemployed, actions and results of the action at detailed target-group level. All information can be downloaded from www.jobindsats.dk. The action in Denmark is carried out by the municipal job centres (responsible for the action) in interaction with educational institutions, private operators, unemployment funds, business promotion operators, etc. |
| Thematic objective 8: Adapting wage-earners, enterprises and entrepreneurs to change: policies are currently in place aimed at promoting pre-emptive measures and good management of change and reorganisation. | Yes | Instruments have been established to support labour and management and public authorities in the development and monitoring of proactive measures for the purpose of change and reorganisation; these include:
- measures for anticipating change;
- measures for preparing and managing the reorganisation process. | Yes | Act to implement an active employment policy. Consolidated Act No. 706 of 28 June 2012.
Chapter 7 on contact processes and Chapter 8 on active provisions.
Chapters 4, 5, 6 and 7 of Consolidated Act No. 731 on responsibility and management of employment efforts.
All information can be downloaded from www.jobindsats.dk. | With the act to implement an active employment policy and the act on the management of employment policy, in principle Denmark complies with all the ex-ante conditionalities insofar as the action and management of the employment efforts, including the involvement of labour and management is concerned. |
upcoming unemployment and employment situation for the purpose of assessing job openings and any bottlenecks in the labour market.

All wage-earners impacted by major layoffs are offered early intervention during the redundancy notice period and follow-up in any unemployment situation.

The employment effort in Denmark generally aims to convert the workforce – particularly the unemployed – to future job opportunities.

The Danish “flexicurity” model is designed to strengthen conversion and adaptation in the Danish labour market.

Thematic objective 8:
Self-owned enterprise, entrepreneurial culture and enterprise start-up: there is a strategic policy framework in place for inclusive start-ups

| Yes | A strategic policy framework for inclusive start-up support has been established and includes the following elements: |
| Yes | The framework for Denmark’s interconnected business promotion system is described in Consolidated Act No. 1715 of 16 December 2010. The business promotion system must ensure that everyone who needs assistance also receives help to set up his/her own enterprise and generate growth. The Danish system is based on a partnership concept and involves players from both the public and private sectors, according to the “no wrong door” principle. |

The municipalities are the public authorities charged with overall responsibility in Denmark for the public sector’s local business services. The local business development offices...
| the enterprise’s specific activity under consideration of SBA’s objectives; - actions linking suitable enterprise-development services and financial services (access to capital) including outreach work among disadvantaged groups and/or areas wherever this is necessary. | in the municipalities provide entrepreneurship courses and manage the general business services relating to starting up and running enterprises.  
For enterprises seeking to grow, the business development centres (Væksthuse) provide specialised business services, such as growth charting. The business development centres also provide information about many programmes and support schemes to which entrepreneurs can apply.  
At the same time, the business development centres serve as an important hub for the combined business promotion system. This is reflected in the high referral rate to both private consultancy players and public provisions (87.7% in 2012) and in the high level of customer satisfaction with the consultancy referred by the business development centres (89.3% in 2012).  
Initiatives have been launched and completed in a number of key areas for reducing case-processing times for permits and licences issued to the business community. This applies to the registration of sole proprietorships and partnerships with personal liability. A new digital system has reduced the average case-processing time for registration from seven to two days. In addition, a number of measures have been implemented aimed at simplifying the case processing of disbursements of |
agriculture support schemes and reducing the case-processing period in relation to building permits. Developments in case-processing times in the areas mentioned are followed up on an ongoing basis.


The registration of personally owned enterprises (including sole proprietorships, partnerships and limited partnerships with personal liability) take 12 minutes on average for the applicant. The average case-processing time is two calendar days. Twenty per cent receive their CVR number within 30 minutes. Registration of the above types of enterprise is free of charge. See p. 5: http://www.evm.dk/publikationer/2013~/media/oem/pdf/2013/2013-publikationer/27-02-13-redeoerelse-om-erhvervslivet-og-reguleringen-2012.ashx.

Registration of companies is done using an older digital solution (Webreg). It is possible to form a company (both private limited liability and public limited liability) and receive a CVR number within one day. A fee is charged for company formation. It costs DKK 670 to form a company online (via Webreg) and DKK 2,150 if the registration application is submitted on paper. The
vast majority of formations take place online. From ultimo 2014, it is expected to be possible to form companies at “Enhedsregistreringen” a new online registration website. The solution will be far more user-friendly than the current solution.

If necessary, see a general description of the changes in sections 2 and 3 of page 2 of the Danish Business Authority’s document for the modernisation programme:

In relation to securing enterprises access to financing, the Danish Government has for instance adopted the Development Package and the Credit Package in 2012, and Growth Plan for Denmark in 2013. The initiatives from them will be put into practice *inter alia* through the Vaekstfonden (state investment fund) and Eksportkreditfonden (state export credit fund).

- The Development Package: http://www.evm.dk/aktuelt/pressesmeddelelser/2012/02-03-12-udviklingspakken
- The Credit Package: http://www.evm.dk/aktuelt/pressesmeddelelser/2012/30-11-12-styrket-finansiering-till smaa-og-mellemstore-virksomheder
- Growth Plan for Denmark: http://www.fm.dk/publikationer/2013/vaekstplan-dk-
The innovation environments also grant venture capital to innovative enterprises as they invest up to DKK 6 million per enterprise on behalf of the state.


In addition, an effort to secure Danish enterprises even better access to EU financing is ongoing. The Danish Agency for Science, Technology and Innovation and the Danish Business Authority coordinate the EU–DK Support network comprising 40 nationwide, regional and local institutions providing consultancy to Danish users about participating in EU programmes. In addition, the Danish Business Authority is working to establish a national contact point that will focus on disseminating information on the EU’s financial instruments in Denmark.
The focus of Danish entrepreneurship and SME-oriented policies is primarily horizontal, which explains why actions are usually not aimed at selected groups. The aim is to create good framework conditions for all entrepreneurs and enterprises, regardless of group and area.

<table>
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<tr>
<th>Thematic objective 9:</th>
<th>Yes</th>
<th>There is a national strategic policy framework for combating poverty for the purpose of active inclusion, which:</th>
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<tr>
<td>The national strategic policy framework for combating poverty is in place and is implemented with the aim of actively integrating people who have been excluded from the labour market. These efforts are conducted in the light of the employment guidelines.</td>
<td>Yes</td>
<td>Denmark has universal access to welfare aimed at ensuring equal access for everyone. Denmark’s welfare system is based on a sound economy, high rate of employment and an efficient labour market, which is combined with an efficient and well-functioning public sector. The fundamental framework for combating poverty and social marginalisation in Denmark therefore rests on the principle of universal access to tax-funded welfare services for everyone who legally resides in Denmark, which includes a wide range of fundamental social services and services as described in the Service Act, including public day-care facilities, free access to the health system, schools, higher education, etc. Denmark has a fundamental framework for combating poverty which contains a number of comprehensive actions, as well as legislation, which together mean that we meet the criteria for combating poverty.</td>
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<th>The specific actions for combating poverty within the individual criteria (a−e) are described point by point in the following with references to links 1–8 in the right-hand column:</th>
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<td></td>
<td>a. Denmark is working to create knowledge on the impacts of the actions and uses existing knowledge through the impact analyses of the Danish National Centre for Social Research and the Knowledge Portal of the National Board of Social Services (7).</td>
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<td></td>
<td>b. Denmark’s poverty objective, as defined in the National Reform Programme, is to reduce the number of individuals living in households with low employment by 22,000 before 2020.</td>
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<td>To achieve this objective, Denmark has introduced a number of initiatives, including:</td>
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<td>- strengthened the integration effort (2012) (3);</td>
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- Provides sufficient empirical data for developing policies for combating poverty and monitoring developments;
- contains measures for supporting the achievement of national targets for poverty and social exclusion (as defined in the National Reform Programme) comprising the promotion of high-quality employment possibilities, e.g. individuals with the greatest risk of social exclusion, including people from marginalised communities;

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- appointed a committee of experts on poverty in May 2012, whose conclusions were published in June 2013. The Danish Government has adopted the poverty line and will use it for monitoring developments (1);

- introduced national social 2020 objectives, which mean, *inter alia*: 1. that the number of homeless people in Denmark will be reduced by at least 25%; 2. that at least 50% of disadvantaged children and youths will have received a youth education by the age of 25; 3. the disadvantaged children’s proficiency in reading and mathematics must be improved; 4. the percentage of placements that break down must be reduced by at least 30%; 5. The percentage of individuals who return to a shelter or care home within the first year after release to own housing unit may comprise at most 20% (2).

- entered into an agreement on using the funds committed for 2014 (8).
In addition, it should be mentioned that Denmark promotes active inclusion in the labour market through initiatives such as:

**Income support**
- unemployment benefits, including subsistence allowance, cash benefits, maternity benefits, housing support, etc.

**Inclusive labour market**
- A reform of the cash benefits system giving priority to right and duty was launched in 2012. The Danish Government gives special priority to young people and introduces the right and duty to take an education for recipients of cash benefits aged 29 or less. Education provides professional skills and thus increases the possibility of permanent affiliation with the labour market (4).

- Disability retirement was widely abolished for individuals aged 39 or less in 2012. Instead, disadvantaged youths aged under 40 will be supported through a more systemically oriented action in a resource-base process. It is still possible to be granted disability
- Involves relevant stakeholders in combating poverty.

retirement if all other options have been ruled out. An important prerequisite for the reform is a substantially improved coordination of the actions within the various sectors (4).

- The flexi-job scheme provides many people with access to the labour market. In this context, the system was reformed in 2012 for the purpose of targeting it at individuals with a significantly reduced working capacity. Public support is increased for individual with a flexi-job with low income and low working capacity, and employers must only pay for the hours during which the employees actually work in their flexi-jobs (4).

Access to welfare-promoting service pursuant to the Service Act
- Public day-care for children, which promotes the labour-market participation of the parents and the social inclusion of disadvantaged children;
- rehabilitation which helps people to enter the
depends on identified needs, including measures for moving from institutional care to care within the immediate environment;

- on request and if entitled, relevant stakeholders will be given support to submit project applications and carry out and manage selected projects.

labour market after illness;
- provisions for individuals with a disability which promote their labour-market participation.

c. The relevant partners are actively involved in the formulation of relevant social policies, i.e. by means of public consultation related to bills and EU reports, as well as the National Social Report and the National Reform Programme. In addition, volunteer organisations, as described in Art. 18 of the Service Act, are involved (6).

The Danish Government consults with organisations such as the Council for Socially Marginalised People, whose goal is to monitor the social effort targeting the homeless, substance abusers, prostitutes, the mentally ill, alcoholics, etc. Each year, the Council prepares a report about the weakest groups’ situation and how the Danish Government can optimise its efforts aimed at the most disadvantaged groups in society.

d. Denmark’s Service Act
contains a number of provisions which facilitate care in the immediate environment, including support for persons with disabilities, the elderly in need of varying levels of care, as well as people requiring special action.

e. The Danish Government supports relevant stakeholders’ projects, aimed at active inclusion of disadvantaged groups.

This is done, _inter alia_ through Denmark’s public funds earmarked for disadvantaged groups aimed at improving the conditions for weak, disadvantaged groups, as well as individuals receiving transfer payments. Institutions, schools, volunteer organisations and NGOs can all apply for funds for initiatives in the areas covered by this fund. (8)

The regional growth-forum secretariats and, for the national fund, the Danish Business Authority will be able to ensure that relevant stakeholders can submit applications to the structural funds. Wage expenses used for implementing a project will typically be eligible for aid for the project concerned.
| Thematic objective 10: Lifelong learning: there is a national and/or regional strategic policy framework in place for lifelong learning within the framework of Article 165 TFEU. | Yes | A national or regional strategic policy framework has been established for lifelong learning which contains:
- measures for supporting development and communication services for lifelong learning (LLL), including the implementation of these and qualification upgrades (e.g. validation, guidance, education/training and vocational training) and involvement of and partnership with relevant stakeholders;
- measures for establishing skills development among various target groups, when these are identified as priorities in national or regional strategic policy frameworks (e.g. youths taking part in vocational training, adults, parents returning to the labour market, individuals with a low level of education, and older wage-earners, immigrants, and other disadvantaged groups, particularly persons with disabilities). | Yes | The policy framework to promote lifelong learning is laid down in the Danish Government platform “A Denmark that Stands Together” (October 2011). Based on the Danish Government platform, reforms aimed at strengthening lifelong learning have been implemented or planned. The following targets have been defined:
- 95% of all young people should complete a youth education;
- 60% should complete a tertiary education, 25% of whom a university education;
- adult and continuing education must be strengthened, particularly for those with the lowest level of education.

The previous Danish strategy for lifelong learning for the 2007–2012 period has included further development and introduction of new initiatives in relation to children, youths, adults and disadvantaged groups. A link is enclosed to “Denmark’s strategy for lifelong learning”.

Denmark has a well-developed educational and adult education system which promotes lifelong learning at all levels from kindergarten to university education and through formal and informal adult education. The number of adults who take part in formal or informal education and learning is higher in Denmark than any other EU Member State. | http://www.stm.dk/publikationer/Et_Danmark_der_staar_sammen_11/Regeringssgrundlag_okt_2011.pdf | http://pub.uvm.dk/2007/lifelonglearning/lifelong_learning.pdf | The EQF reference report on Denmark’s Qualification Framework for lifelong learning documents all significant factors relating to Denmark’s educational system, including legislation, development of qualifications, management, recognition of actual qualifications and European transparency instruments, etc. | http://fivu.dk/en/education-and-institutions/recognition-and-transparency/transparency-tools/qualifications-frameworks/european-qualifications-framework/national_report_referencing
- measures aimed at widening access to lifelong learning, e.g. through initiatives aimed at an efficient implementation of instruments intended to increase transparency (e.g. the European frame of reference for qualifications, national qualification framework, European credit transfer system for vocational training, European quality assurance in occupational programmes.

- measures for improving the labour-market relevance of general education and vocational training and ensuring adaptation of this for identified target groups (e.g. young people taking part in vocational training, adults, parents returning to the labour market, individuals with a low level of education, immigrants and other disadvantaged groups, particularly persons with disabilities).

Insofar as development, access, management and funding of LLL is concerned, Denmark meets all ex-ante conditionalities, including the involvement of management, labour and regional and local stakeholders. Denmark has implemented all European instruments including the European Qualification Framework (EQF), the European Credit Transfer System (ECTS), the European Credit System for Vocational Education and Training (ECVET), Europass and European guidelines concerning the validation of formal and informal learning. Link: “Referencing the Danish qualifications Framework for Lifelong learning to the European Qualifications framework”.

The Danish Government has launched a reform of the lower secondary school system that will be implemented in 2014–2015, aimed at maximising the skills level of all children.

The Danish Government has implemented a reform of the vocational training system aimed at getting more young people to choose and complete a vocational training programme (part of the ESL action).

**Link:**
- "dk_qualifications_framework_to_eqf.pdf"
- http://fivu.dk/uddannelse-og-institutioner/anerkendelse-og-dokumentation/dokumentation

**Sources:**
- [www.uvm.dk/I-fokus/~/media/UVM/Filer/Udd/Folke/PDF13/130607%20Aftaleteksten.ashx](http://www.uvm.dk/I-fokus/~/media/UVM/Filer/Udd/Folke/PDF13/130607%20Aftaleteksten.ashx)
- [http://www.uvm.dk/Uddannelser-og-dagtilbud/Erhvervsuddannelser/Fakta-om-erhvervsuddannelserne/Nyheder-om-erhvervsuddannelser](http://www.uvm.dk/Uddannelser-og-dagtilbud/Erhvervsuddannelser/Fakta-om-erhvervsuddannelserne/Nyheder-om-erhvervsuddannelser)
- [www.uvm.dk/I-focus/~/media/UVM/Filer/I%20fokus/Tema/Faglaert%20til%20fremtiden/131002%20faglaert%20til%20fremtiden.ashx](http://www.uvm.dk/I-focus/~/media/UVM/Filer/I%20fokus/Tema/Faglaert%20til%20fremtiden/131002%20faglaert%20til%20fremtiden.ashx)
As part of the 2013 Growth Plan for Denmark, the Danish Government has earmarked DKK 1 bn to boost the quality and qualifications of adult and continuing education from 2014 to 2017 focusing on boosting qualifications from unskilled to skilled and from skilled to tertiary education.

Thematic objective 10:
There is a national or regional strategic policy framework in place for improving the quality and efficiency of vocational training programmes within the framework of Article 165 TFEU.

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<td></td>
<td>There is a national or regional strategic policy framework for improving the quality and efficiency of vocational training programmes within the framework of Article 165 TFEU, containing the following elements:</td>
<td></td>
<td>The Danish Government platform “A Denmark that Stands Together” from October 2011 is the policy framework for promoting the target that 95% of all young people must complete a youth education. An effort must also be made to ensure that more young people choose and complete a vocational training programme.</td>
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<tr>
<td>Thematic objective 10:</td>
<td>There is a national or regional strategic policy framework for improving the quality and efficiency of vocational training programmes within the framework of Article 165 TFEU, containing the following elements:</td>
<td>Denmark’s vocational training programmes are prepared and managed in close collaboration with labour and management, who are also partly responsible for its financing.</td>
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<td></td>
<td>– measures for improving the labour-market relevance of the vocational training systems with relevant stakeholders, including via mechanisms for predicting the qualifications in demand, adapting curriculums and strengthening various forms of work-based learning.</td>
<td>This ensures the training programmes’ labour-market relevance in relation to the business community’s needs for qualifications within different sectors and ensures that the supply of programmes in each local area reflects the qualifications in demand in the area. Training plans and cooperation with enterprises with traineeships are also included in this collaboration.</td>
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<td></td>
<td>– measures for improving the quality and attractive force of</td>
<td>The agreement “Better vocational</td>
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<td></td>
<td>Link til erhvervsuddannelsesloven: <a href="https://www.retsinformation.dk/Forms/R0710.aspx?id=146491">https://www.retsinformation.dk/Forms/R0710.aspx?id=146491</a></td>
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<td>The Agreement can be found on the ministry’s website via the following link: <a href="http://uvm.dk/Aktuelt/~UVM-DK/Content/News/Udd/Erhvervs/2012/Nov/121108-Bred-aftale-om-praktik-">http://uvm.dk/Aktuelt/~UVM-DK/Content/News/Udd/Erhvervs/2012/Nov/121108-Bred-aftale-om-praktik-</a></td>
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vocational training programmes, including by creating a national approach to quality assurance of vocational training (e.g. in keeping with the European frame of reference for quality assuring vocational training programmes) and implementing instruments to ensure greater transparency and recognition (e.g. the European Credit System for Vocational Education and Training, ECVET).

training programmes and bolstered education guarantee” was entered into on 8 November 2012.

The agreement’s action areas comprise a bolstered education guarantee and better quality of vocational training programmes, which includes upgrading qualifications of teachers and managers (including a revision of the educational foundation), better school environments with homework workshops, mentoring schemes, contact teacher schemes, and boosting of social and psychological counselling.

In October 2013, the Danish Government presented its proposal for a vocational training reform intended to create better and more attractive vocational training programmes for the purpose of increasing the number of youths who complete a vocational training programme.

Denmark’s vocational training system includes relevant quality assurance measures at all levels that meets this conditionality and are fully in keeping with the European frame of reference for quality assurance (EQAVET).

At the same time, the vocational training institutions must live up to clear goals concerning students completion of a commenced vocational programme.

Denmark’s vocational programmes are positioned within Denmark’s vocational training system, including by creating a national approach to quality assurance of vocational training (e.g. in keeping with the European frame of reference for quality assuring vocational training programmes) and implementing instruments to ensure greater transparency and recognition (e.g. the European Credit System for Vocational Education and Training, ECVET).

Link to EU publication on vocational basic and continuing education in Denmark 2012.

The EQF reference report on Denmark’s Qualification Framework for lifelong learning documents all significant factors relating to Denmark’s educational system,
qualifications framework which refers to the European qualifications framework. Moreover, the European Credit System for Vocational Education and Training (ECVET) has been implemented for the purpose of supporting mobility and recognition of learning. including legislation, development of qualifications, management, recognition of actual qualifications and European transparency instruments, etc. 


<table>
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<th>General conditionalities</th>
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<tr>
<th>1. Combating discrimination</th>
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<tbody>
<tr>
<td>There is an administrative capacity in place for implementing and using EU legislation and EU policies for combating discrimination in the area covered by the ESI Funds.</td>
</tr>
<tr>
<td>Schemes in accordance with Member States’ institutional and legal frameworks for involving organisations responsible for promoting equal treatment of all individuals throughout the preparation and implementation of the programmes, including consultancy on equal treatment in conjunction with activities concerning the ESI Funds.</td>
</tr>
<tr>
<td>Schemes for the continuing education of employees at the authorities involved in the management and control of the ESI Funds in the area of EU legislation and EU policies on combating discrimination.</td>
</tr>
<tr>
<td>The Danish Institute for Human Rights must promote equal treatment of everyone without discrimination due to gender, race or ethnic origin.</td>
</tr>
<tr>
<td>See: <a href="https://www.retsinformation.dk/forms/r0710.aspx?id=142116">https://www.retsinformation.dk/forms/r0710.aspx?id=142116</a></td>
</tr>
<tr>
<td>Act on ethnic equal treatment: <a href="https://www.retsinformation.dk/Forms/r0710.aspx?id=28938">https://www.retsinformation.dk/Forms/r0710.aspx?id=28938</a></td>
</tr>
<tr>
<td>Act prohibiting discrimination in the labour market: <a href="https://www.retsinformation.dk/Forms/R0710.aspx?id=122522">https://www.retsinformation.dk/Forms/R0710.aspx?id=122522</a></td>
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<td>For employees of the managing authority and the regional growth-</td>
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<td>forum secretariats, supplementary training courses are planned for Q1 2014. The courses will be repeated as required during the 2014–2020 programme period. The Danish Institute of Human Rights will take part in the expert monitoring committee for the ESF and the ERDF.</td>
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<tr>
<td>2. Gender: There is an administrative capacity in place for implementing and using EU legislation and EU policies for gender equality in the area covered by the ESI Funds.</td>
</tr>
<tr>
<td>Schemes in accordance with Member States’ institutional and legal frameworks for involving organisations responsible for promoting gender equality throughout the preparation and implementation of the programmes, including consultancy on gender equality in conjunction with activities concerning the ESI Funds. Schemes for the supplementary training of employees at the authorities involved in the management and control of the ESI Funds in the area of EU legislation and EU policies on gender equality and integration of gender-related issues.</td>
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authority and the regional growth-forum secretariats, supplementary training courses are planned for Q1 2014. The courses will be repeated as required during the 2014–2020 programme period.

The Danish Institute of Human Rights will take part in the expert monitoring committee for the ESF and the ERDF.

<table>
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<tr>
<th>3. Disability:</th>
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<tr>
<td>There is an administrative capacity in place for implementing and applying the UN Convention on the Right of Persons with Disabilities (UNCRPD) within the ESI Funds in accordance with Council Decision 2010/48/EC.</td>
</tr>
</tbody>
</table>

Schemes in accordance with Member States' institutional and legal frameworks for consultation and involvement of bodies responsible for protecting the rights of persons with disabilities or organisations representing persons with disabilities and other relevant stakeholders throughout the preparation and implementation of the programmes.

Schemes for continuing education of employees of the authorities involved in managing and controlling the ESI Funds in the area for applicable legislation and policies at both national and EU level on disabilities, including accessibility, and the practical application of UNCRPD, as reflected in relevant EU and national legislation.

The task of promoting, protecting and monitoring the implementation of the UNCRPD is managed by the Danish Institute for Human Rights.

See the decision of the Danish Parliament. http://www.ft.dk/samling/20101/beslutningsforslag/B15/som_vedtaget.htm#dok

Act prohibiting discrimination in the labour market: https://www.retsinformation.dk/Forms/R0710.aspx?id=122522

For employees of the managing authority and the regional growth-forum secretariats, supplementary training courses are planned for Q1 2014. The courses will be repeated as required during the 2014–2020 programme period.

The Danish Institute of Human Rights will take part in the expert monitoring committee for the ESF and the ERDF.
| Schemes for ensuring the monitoring of the implementation of Article 9 UNCRPD in relation to the ESI Funds and implementation of the programmes. | Yes | Initiatives which ensure efficient use of the EU’s procurement rules in projects receiving support from the ESI Funds. | Yes | European directives concerning public procurement (2004/17, 2004/18 and 2009/81/EC) have been implemented by executive order which by referring to the directives obliges the contracting entity to comply with the rules of the directives. This means that the rules of the directives must be directly applied today. Denmark has implemented national procurement rules below the thresholds of the public procurement directives and the Danish Competition and Consumer Authority provides advice on the interpretation of the procurement rules, both at EU and national level. The Danish Competition and Consumer Authority prepares guidelines for understanding the public procurement rules at both EU and national level. See also: [http://www.kfst.dk/Offentlig-konkurrence/Regler-og-vejledninger-mm/Regler](http://www.kfst.dk/Offentlig-konkurrence/Regler-og-vejledninger-mm/Regler) The Directive on Public Procurement: [https://www.retsinformation.dk/Forms/] | The Danish managing authority for public procurement (the Danish Competition and Consumer Authority) provides advice on its website about procurement rules and how to comply with them. It is also a condition in all contracts for subsidy from the ESI Funds that the public procurement rules and the general principles of transparency, equal treatment and thrift must be complied with. For the ERDF and ESF, the conditions are reviewed for this issue at a start-up meeting between the managing authority and beneficiaries in advance to ensure that beneficiaries understand and comply with the rules. If deemed necessary for beneficiaries to hire external assistance to carry out an invitation to tender, this expense will be eligible for aid under Denmark’s ERDF and ESF programmes. There are many different private vendors of courses on public procurement, which is why the managing authority is precluded from holding such skills-development activities, but the expenses for participating at courses provided by a private vendor will also be eligible for aid under Denmark’s ERDF and ESF programmes. |

| 4. Public procurement | Yes | | Yes | |
5. State aid:  
There are schemes in place to ensure the efficient application of EU legislation on state aid. Yes  
1. Schemes which ensure efficient application of EU rules on state aid. Yes  
2. Schemes for supplementary Yes  
The rules are repeated on the European Commission’s website.  
At national level, the Ministry of Business and Growth provides guidance on understanding the rules.
<table>
<thead>
<tr>
<th>Training and the provision of information to employees involved in the implementation of the ESI Funds.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Schemes aimed at ensuring the administrative capacity for implementing and applying EU legislation on state aid.</td>
</tr>
</tbody>
</table>

The ministry’s website provides instructions and guidelines for understanding the rules, including a state aid handbook, [www.evm.dk](http://www.evm.dk).

Link:
http://www.evm.dk/arbejdsomraader/erhverv-og-regulering/statsstoette/hvad-er-statsstoette/statsstoettehaandbogen

The ministry has a special department for state aid. The department is a national centre for state aid in Denmark.

The state aid secretariat is tasked with disseminating knowledge and advice in state-aid issues which concern new bills or amendments to legislation, and to provide consultancy for central administration and public enterprises in conjunction with planning new initiatives so these comply with EU regulations on state aid. In this context, the secretariat carries out advance screening of the legislative programme.

The state-aid secretariat takes part in processing cases with the European Commission and assists authorities by means of bilateral contact with the Commission for reported cases and other planning of Danish measures that need to be assessed on the basis of the EU regulations on state aid. In addition, the state-aid secretariat plays an active role for proposals to revise EU state-aid rules and for the
coordination of Denmark’s state-aid policies.

The department assists the MA in conjunction with information on new state-aid regulations. The MA is responsible for screening the OP. The state-aid secretariat interprets the rules and assists the MA in the implementation and with any notifications. Under the programmes, de minimis and the general block exemption are used, and therefore notification is not relevant in practice.

Principle cases can be submitted to a committee: the Committee on State Aid.

The committee can do the following:

- provide consultancy and assistance in measures and initiatives which possibly involve state aid;
- screen legislative initiatives and legislative programmes;
- provide consultancy and guidance for early contact to the Commission’s service branches in specific cases;
- provide consultancy and guidance for the preparation of state-aid reports and procedures;

1. All costs eligible for aid and financing broken down by funding source must be specified in applications for
support. The total public support in the project can therefore be calculated. If, for example, structural fund support is granted to a project together with support from a region, the entire support sum is combined. After this, the support percentage can be calculated. All commitments of support specify that the state aid comprises subsidy/support from the EU, state, regions and municipalities, and it is also specified which state-aid rules may be used in the project, after which the support rates can be calculated.

The project documentation comprises the state-aid documentation where the support for each individual enterprise is calculated.

If the beneficiary has not repaid illegal support, a new commitment of support will not be issued.

For the use of de minimis support, the beneficiary fills in a statement in accordance with the de minimis regulation. Information about the beneficiary, support amount and publication will be collected by the managing authority in accordance with the general block exemption regulation.

The general block exemption regulation and the de minimis regulation are used in Denmark’s structural fund programmes. These legal bases are cited in the programmes, and the specific provisions applied are specified in the annexes to the programmes. If the programmes are amended, the annexes
will be updated by the MA, and the revised schematic information will be sent to the European Commission in accordance with the general block exemption regulation.

Subsidy for supporting financial instruments will contain the specific terms and conditions in relation to the state aid that may be granted to the project.

Terms and conditions for state aid will be reviewed at a start-up meeting between the managing authority and beneficiaries in advance to ensure that beneficiaries understand and comply with the rules. If it is deemed necessary for beneficiaries to hire external assistance, this expense will be eligible for aid under Denmark’s ERDF and ESF programmes.

It is apparent in the regulations governing the structural funds that all EU regulations – including the state-aid regulations – must be complied with. The MA is responsible for ensuring compliance with this.

If it is ascertained that support has been granted in violation of the state-aid regulations, the Danish state may claim repayment of the illegal support from the beneficiary. In cases of illegal state aid, the procedure will be as follows:

1. The MA files a claim for repayment
2. If the sum is not repaid, legal
action will be filed in an ordinary court of law. The MA is responsible for the entire programme implementation, including the recovery of state aid.

For each application for support, the application is reviewed for all elements containing financial advantages for entities that exercise financial activity. This is part of the checklist. A copy of the checklist is enclosed.

In each individual case, a specific term is inserted about the method used for calculating state aid in the project.

Each individual project must include documentation to the effect that the commitment’s terms and conditions concerning state aid in the project have been met. This documentation is reviewed by an accountant and subject to all the controls of the structural funds.

The managing authority receives and passes on all information in accordance with the rules in the general block exemption regulation.

2. In conjunction with the commencement of the administration of the structural fund programmes for the 2014–2020 period, skills development days are held for the employees of both the MA and the regional secretariats. The skills
The development process is kept up to date throughout the programme period by means of networking meetings.

Throughout the structural fund period, meetings are to be held in networks comprising the various administrative levels. At these meetings, instruction and information are provided on state aid in structural fund projects.

3. The MA has designated employees with special knowledge relating to the application of state-aid rules for subsidy from the ESI Funds. These employees assist the case officers at MA and advise external parties.

In the 2007–2013 period, attention to the state-aid regulations at both the MA and in general has been intensifying. The number of employees on the MA’s team has increased from one to four. Both operational and legal expertise are represented on the team. The valuable lessons learned from the 2007–2013 period will be applied, and this experience will form the basis for efficient, meticulous administrative procedures.

6. Environmental legislation concerning the Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA):

<p>| 1) The directive has been transposed into Danish law. The Ministry of the Environment has drawn up the guidelines and collection of examples relating the application of strategic environmental assessments. | 2) and 3): a special office has been set up in the Ministry of the |</p>
<table>
<thead>
<tr>
<th>7. Statistical systems and result indicators</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
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</thead>
<tbody>
<tr>
<td>There is a statistical basis in place which is necessary for carrying out evaluations for assessing the programmes’ effectiveness and impact.</td>
<td>Schemes have been established for the punctual collection and aggregation of statistical data with the following elements: Identifying sources and mechanisms for ensuring statistical validation. Schemes for publication and publicly accessible aggregated data</td>
<td>The ERDF programme and the ex-ante evaluation of this. The ESF programme and the ex-ante evaluation of this.</td>
<td>In addition to the obligatory output and result indicators, etc., in both programmes, CVR numbers and P numbers will be systematically collected for the participating enterprises and civil ID numbers for the participating individuals. By linking these ID numbers with Statistics Denmark’s registries, the actual trends and financial results, as well as the participating individuals’ labour-market status, income, level of education, etc., will be monitored and –</td>
</tr>
</tbody>
</table>
place which is necessary for selecting the initiatives which most effectively contribute to achieving the results preferred, monitoring progress against results and evaluating the effects.

<table>
<thead>
<tr>
<th>An effective system of result indicators, including:</th>
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<tbody>
<tr>
<td>- the selection of result indicators for each programme that provides information about what motivates the selection of the policy initiatives that are supported by the programme;</td>
</tr>
<tr>
<td>- setting of targets for these indicators;</td>
</tr>
<tr>
<td>- compliance with the following requirements for each indicator: strength and statistical validation, equivocal normative interpretation, responsiveness in relation to policy, punctual data collection;</td>
</tr>
<tr>
<td>- procedures for ensuring that an effective indicator system has been adopted for all operations supported by the programme.</td>
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</tbody>
</table>

wherever possible and relevant – compared to control groups to estimate the action’s effects.

Overview of the fulfilment of applicable ex-ante conditionalities at national level for the EAFRD
<table>
<thead>
<tr>
<th>Applicable ex-ante conditionality for which national bodies are responsible</th>
<th>Applicable ex-ante conditionality fulfilled: Yes/No/Partially</th>
<th>Criteria</th>
<th>Criteria fulfilled? Yes/No</th>
<th>Reference (if fulfilled)</th>
<th>Explanation (where appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The EAFRD programme</strong></td>
<td></td>
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<tr>
<td>EU priority 3: Promoting the food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</td>
<td></td>
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<tr>
<td>Thematic objective 5: Promoting climate change adaptation, risk prevention and management.</td>
<td></td>
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<tr>
<td>3.1. Risk prevention and management: There are national or regional risk assessments in place for disaster management which take account of adaptation to climate change</td>
<td>Yes</td>
<td>Denmark is not implementing actions under EU priority 3 in the EAFRD and as a result does not have to meet this ex-ante conditionality. Denmark does meet the conditions in question, however.</td>
<td>Yes</td>
<td><a href="http://brs.dk/viden/publikationer/Documents/Nationalt_Risikobillede.pdf">http://brs.dk/viden/publikationer/Documents/Nationalt_Risikobillede.pdf</a></td>
<td>On 9 April 2013, the Danish Emergency Management Agency issued “Nationalt Risikobillede” (national risk scenario, NRS) which was prompted by, inter alia, the EU’s requests that Member States develop national risk assessments. The last mentioned is apparent in the EU’s council conclusions with a view to disaster management in the EU. In addition, the Ministry of the Environment has published “Sådan håndterer vi skybrud og regnvand” (How we handle torrential rain and rainwater), which is an action plan for adaptation to climate change in Denmark.</td>
</tr>
</tbody>
</table>

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114 Conclusions of the Justice and Home Affairs Council; Conclusion on further developing risk assessments for disaster management in the European Union, 11–12 April 2011.
<table>
<thead>
<tr>
<th>EU priority 4:</th>
<th>Restoring, preserving and enhancing ecosystems related to agriculture and forestry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thematic objective 5: Promoting climate change adaptation, risk prevention and management.</td>
<td></td>
</tr>
<tr>
<td>Thematic objective 6: Preserving and protecting the environment and promoting resource efficiency</td>
<td></td>
</tr>
<tr>
<td>4.1 Good agricultural and environmental condition:</td>
<td>Norms for good agricultural and environmental condition have been established at national level, cf. Title VI, Chapter 1 of Regulation (EU) No 1306/2013.</td>
</tr>
<tr>
<td>4.2 Minimum requirements for fertilisers and plant protection products:</td>
<td>Minimum requirements for fertilisers and plant protection products have been set in the programmes, cf. Title 3, Chapter 1, of this regulation.</td>
</tr>
<tr>
<td>4.3 Other applicable national norms:</td>
<td>Compulsory national norms have been established with a view to Title III, Chapter I, Article 28 of this regulation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
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<tbody>
<tr>
<td>- Norms for good agricultural and environmental condition have been established in national law and are specified in the programmes.</td>
<td></td>
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<tr>
<td>- Minimum requirements for fertilisers and plant protection products have been established in the programmes, cf. Title 3, Chapter 1, of this regulation.</td>
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<tr>
<td>- The applicable compulsory norms are specified in the programmes.</td>
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<tr>
<th>EU priority 5:</th>
<th>Promoting resource efficiency</th>
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*Minimum requirements for the use of plant protection products have been set, whereas no minimum requirements have been established for the use of fertiliser, as the entire country has been designated a nitrogen-sensitive area and all requirements concerning the use of fertiliser are therefore covered by cross-compliance.*
and supporting the shift towards a low-carbon and climate-resilient economy in agriculture, food and forestry sectors

Thematic objective 4: Supporting the shift towards a low-carbon economy in all sectors

Thematic objective 6: Preserving and protecting the environment and promoting resource efficiency

5.1. Energy efficiency:
Measures have been implemented for the purpose of promoting cost-effective improvements of energy end-use efficiency and cost-effective investment in energy efficiency in connection with constructing or refurbishing buildings

<table>
<thead>
<tr>
<th>Yes</th>
<th>These measures are as follows:</th>
<th>Yes</th>
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<tbody>
<tr>
<td></td>
<td>- measures to ensure that minimum requirements are in place for buildings’ energy efficiency in accordance with Articles 3, 4 and 5 of Directive 2010/31/EU of the European Parliament and of the Council.</td>
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</table>

Article 3:
Instruction 213 of the Danish Building Research Institute:

Building Code (BR10):
http://bygningsreglementet.dk/

Article 4:
Sections 3, 5 and 22(1) of the Construction Act.
https://www.retsinformation.dk/Forms/R0710.aspx?id=133389

Building Code (BR10):
http://bygningsreglementet.dk/
Chapters 1 and 7 of BR10 (energy framework requirements for buildings, etc.)

Article 5:
Denmark has reported a calculation of the cost-optimal levels for the minimum

The method is laid down in instruction 213 of the Danish Building Research Institute and meets the conditions in Annex 1. It is based on European Standard, DS/EN/ISO 13790, among others. See the method in BR10’s Annex 6 under “Calculation Assumptions”. 
- measures required for creating a system for certifying buildings’ energy efficiency in accordance with Article 11 of Directive 2010/31/EU of the European Parliament and of the Council;

- measures for ensuring the strategic planning of energy efficiency in accordance with Article 3 of Directive 2012/27/EU of the European Parliament and of the Council;

requirements for energy-related efficiency on 31 March 2013, cf. the link.

Sections 3, 4 and 21 of the Act on promoting energy efficiency in buildings:
https://www.retsinformation.dk/Forms/R0710.aspx?id=142572

Sections, 1, 6, 8 and 11 of the Executive Order on Energy Labelling of Buildings:
https://www.retsinformation.dk/Forms/R0710.aspx?id=142632

Circular No. 9787 of 1 October 2007 on energy efficiency of state institutions.
https://www.retsinformation.dk/Forms/R0710.aspx?id=127530

A voluntary agreement with similar contents has been entered into with municipalities and regions. It is apparent from the interpretative notes for the act that the Minister for Climate, Energy and Building will lay down the provisions for this, if energy efficiency measures are not ensured through voluntarily concluded agreements as mentioned above.

Denmark’s guiding objective pursuant to Article 3 is an absolute, primary energy consumption (gross energy consumption, apart from consumption for non-energy-related purposes) of 744.4 PJ (17.781 MtOE) by 2020. This

The recommended targets are the result of the Danish Energy Agency’s basic projection of energy consumption. This basic projection contains all the means and initiatives which are included in the Energy
- measures in accordance with Article 13 of Directive 2006/32/EC of the European Parliament and of the Council on energy end-use efficiency and energy services, to ensure that end-user customers are equipped with individual meters to the extent this is technically possible, financially sound and proportional in relation to the potential energy savings.

Executive Order on individual metering of electricity, gas, water and heat.

https://www.retsinformation.dk/Forms/R0710.aspx?id=82664

Policy Agreement of 22 March 2012. In addition the Danish Energy Agency’s projections are generally based on a series of overarching financial assumptions (industrial production, private consumption, fuel prices, etc.), a number of technology-specific assumptions (the cost of various types of systems and their efficiency, etc.), as well as assumptions about what the energy-market players will do on purely market-based conditions. Also, certain qualitative estimates, such as concerning planning factors, can also be included.

| 5.3. Renewable energy: Measures have been implemented for the purpose of promoting the production and distribution of energy from renewable energy sources. | Yes | The following are currently in place: transparent support schemes, prioritised access to the grid or guaranteed access to and prioritised distribution, as well as standard rules for who must bear and share the costs of the technical adaptations pursuant to Article 14(1), Article 16(2) and (3) of | Yes | Denmark’s action plan for renewable energy can be found here in Danish and English: | http://ec.europa.eu/energy/renewables/action_plan_en.htm |
Directive 2009/28/EC.

The Member State has adopted a national action plan for renewable energy in accordance with Article 4 of Directive 2009/28/EC.

<table>
<thead>
<tr>
<th>Common provisions for the ESI Funds:</th>
<th>Applicable ex-ante conditionality fulfilled: Yes/No/Partially</th>
<th>Criteria</th>
<th>Criteria fulfilled? Yes/No</th>
<th>Reference (if fulfilled)</th>
<th>Explanation (where appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General conditionalities</td>
<td></td>
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<tr>
<td>1. Combating discrimination</td>
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<td></td>
<td>There is an administrative capacity for implementing and using EU legislation and EU policies for combating discrimination in the area covered by the ESI Funds.</td>
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<td></td>
<td>- schemes in accordance with the Member State’s institutional and legal frameworks for involving organisations responsible for promoting equal treatment of all individuals throughout the preparation and implementation of the programmes, including consultancy on equal treatment in conjunction with activities concerning the ESI Funds.</td>
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<tr>
<td></td>
<td>- schemes for the continuing education of employees at the authorities involved in the management and control of the ESI Funds in the area of EU legislation and EU policies on combating discrimination.</td>
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Yes

The Danish Institute for Human Rights aims to promote equal treatment of everyone without discrimination due to gender, race or ethnic origin.

See: [https://www.retsinformation.dk/forms/r0710.aspx?id=142116](https://www.retsinformation.dk/forms/r0710.aspx?id=142116)

Act on ethnic equal treatment: [https://www.retsinformation.dk/Forms/r0710.aspx?id=28938](https://www.retsinformation.dk/Forms/r0710.aspx?id=28938)

Act prohibiting discrimination in the labour market: [https://www.retsinformation.dk/Forms/R0710.aspx?id=122522](https://www.retsinformation.dk/Forms/R0710.aspx?id=122522)


Employees of the managing
2. Gender

| Yes | - schemes in accordance with Member States’ institutional and legal frameworks for involving organisations responsible for promoting gender equality throughout the preparation and implementation of the programmes, including consultancy on gender equality in conjunction with activities concerning the ESI Funds;
### 3. Disabilities

| Yes | - schemes in accordance with Member States’ institutional and legal frameworks for consultation and involvement of bodies responsible for protecting the rights of persons with disabilities or organisations representing persons with disabilities and other relevant stakeholders throughout the preparation and implementation of the programmes;  
- schemes for continuing education of employees of the authorities involved in managing and controlling the ESI Funds in the area for applicable legislation and policies at both national and EU level on disabilities, including accessibility, and the practical application of UNCRPD, as reflected in relevant EU and national legislation;  
- schemes for ensuring the monitoring of the implementation of Article 9 of UNCRPD in relation to the ESI Funds and implementation of the programmes. | Yes | The task of promoting, protecting and monitoring the implementation of the UNCRPD is managed by the Danish Institute for Human Rights. See: Danish Parliament decision: [http://www.ft.dk/samling/20101/beslutningsforslag/B15/som_vedtaget.htm#dok](http://www.ft.dk/samling/20101/beslutningsforslag/B15/som_vedtaget.htm#dok), Act prohibiting discrimination in the labour market: [https://www.retsinformation.dk/Forms/R0710.aspx?id=122522](https://www.retsinformation.dk/Forms/R0710.aspx?id=122522). Employees of the managing authority involved with management and control of EU programmes take part in supplementary training courses on an ongoing basis. |

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### 4. Public procurement

| Yes | - schemes to ensure effective use of Union regulations on public procurement through suitable | Yes | European directives concerning public procurement (2004/17, 2004/18 and 2009/81/EC) have | The Danish managing authority for public procurement (the Danish |
| Union legislation on public procurement within the ESI Funds. | mechanisms;  
- schemes to ensure that public procurement procedures are transparent;  
- schemes for supplementary training and the provision of information to employees involved in the implementation of the ESI Funds.  
- schemes aimed at ensuring the administrative capacity for implementing and applying EU legislation on public procurement. | been implemented by executive order which by referring to the directives obliges the contracting entity to comply with the rules of the directives. This means that the rules of the directives must be directly applied today.  
Denmark has implemented national procurement rules below the thresholds of the public procurement directives and the Danish Competition and Consumer Authority provides advice on the interpretation of the procurement rules, both at EU and national level.  
The Danish Competition and Consumer Authority prepares guidelines for understanding the public procurement rules at both EU and national level.  
See also:  
http://www.kfst.dk/Offentlig-konkurrence/Regler-og-vejledninger-mm/Regler  
The Directive on Public Procurement:  
https://www.retsinformation.dk/Forms/R0710.aspx?id=137281  
The Utility Directive:  
https://www.retsinformation.dk/Forms/R0710.aspx?id=26714  
The Defence and Security Competition and Consumer Authority) provides advice on its website about procurement rules and on how to comply with them.  
In its guidelines on subsidy for the relevant support schemes, the managing authority (Danish AgriFish Agency) refers to the website of the Danish Competition and Consumer Authority.  
It is also a condition in all contracts for subsidy under the project schemes under the EAFRD that the public procurement rules and the general principles of transparency, equal treatment and thrift must be complied with.  
The beneficiary must be able to document no later than in conjunction with the request for payment of subsidy that the beneficiary has complied with the rules. The beneficiary must have documents to verify that the public procurement rules have been complied with and must retain these documents for at least five years from the date of final payment.  
The Danish AgriFish Agency has a unit for contract management, procurement and |
| 5. State aid | Yes | - schemes which ensure efficient application of Union rules on state aid; - schemes for supplementary training and the provision of information to employees involved in the implementation of the ESI Funds; - schemes aimed at ensuring the administrative capacity for public procurement procedures under its legal affairs office. This office ensures that the Danish AgriFish Agency complies with EU regulations and national legislation in the area of public procurement. The unit keeps other employees informed about this legislation and correct procedures for handling invitations to tender on the Agency’s intranet. Relevant employees also frequently take part in training and supplementary training courses on rules and procedures for public procurement. | Yes | The rules are presented on the European Commission’s website. At national level, the Ministry of Business and Growth provides guidance on understanding the rules. The ministry’s website provides instructions and guidelines for |
implementing and applying Union legislation on state aid.

understanding the rules, including a state-aid handbook.

www.evmdk

In Denmark, there is a mandatory coordination of all state-aid cases in the Committee on State Aid for the purpose of managing Denmark’s interests when taking part in multilateral meetings with the European Commission and other Member States. A state-aid secretariat has been set up in the Ministry of Business and Growth to provide administrative services for the committee. Therefore, the Ministry of Business and Growth has executive responsibility for state-aid rules, whereas the Ministry of Food, Agriculture and Fisheries is responsible in the areas of agriculture and fishery. The meetings of, for instance, the Consultative Committee are therefore covered in collaboration between the Ministry of Food, Agriculture and Fisheries and the Ministry of Business and Growth.

In addition, the Committee on State Aid and the state-aid secretariat provide advice to the central administration in state-aid issues. The state-aid secretariat is particularly tasked with providing advice and guidance
on the state-aid regulations and on legal practice, with handling procedures and collaboration with the Commission, and the secretariat also disseminates knowledge about the state-aid regulations by holding seminars, giving presentations at conferences and through courses.

It is usually the responsibility of the individual ministry to comply with the state-aid regulations, but the Committee on State Aid assists them with an ex-ante evaluation of specific initiatives and/or measures, including:

- advice on measures which possibly involve state aid;
- screening/assessment of legislative initiatives and law programmes;
- consultancy and guidance for early contact to the Commission’s service branches in specific cases;
- consultancy and guidance for the preparation of state-aid reports and procedures.

TFEU competition regulations do not usually apply to production of and commerce with agricultural products. Therefore, certain measures
Activities that are not considered to involve production of and commerce with agricultural products, e.g. processing activities and certain skills-development activities, will be covered by the state-aid regulations.

Measures under the EAFRD that are not exempt from the state-aid regulations will be assessed under the general block exemption for support in the agriculture and forestry sectors, and in rural areas under the de minimis rules and framework provisions for state aid in the agriculture and forestry sectors and in rural areas.

These legal bases are cited in the programme, and the specific provisions applied are specified in the annex to the programme.

All costs and financing eligible for support must be specified in applications for support under the EAFRD. The total public support in the project can therefore be calculated.

For each application involving de minimis support, the application is reviewed for all elements containing financial advantages for entities that exercise financial activity.
If the support is given as de minimis, the commitment for support will indicate that this is state aid.

For the use of de minimis support, the beneficiary fills in a statement in accordance with the de minimis regulation.

Beneficiaries must otherwise meet the conditions specified in the executive order.

If it is ascertained that support has been granted in violation of the state-aid regulations, the Danish state will claim repayment of the illegal support from the beneficiary.

The managing authority has employees with special knowledge in relation to the use of the state-aid regulations, including in relation to subsidy from the EAFRD. These employees assist the case officers at the managing authority.

A total of four employees have special knowledge of the factors relating to state aid. The persons concerned are jurists.

Employees of the managing authority involved with management and control of EU programmes complete continuing education courses on
<table>
<thead>
<tr>
<th>6. Environmental legislation concerning the Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA)</th>
<th>Yes</th>
<th>Yes</th>
<th>an ongoing basis.</th>
</tr>
</thead>
</table>
| There are schemes in place to secure the effective application of EU environmental law concerning EIA and SEA. | - schemes which ensure effective application of Directive 2011/92/EU (EIA) of the European Parliament and of the Council and Directive 2001/42/EC (SEA) of the European Parliament and of the Council;  
- schemes for supplementary training and the provision of information to employees involved in the implementation of the EIA and SEA directives;  
- schemes for ensuring sufficient administrative capacity. | EIA: Executive Order No. 1510 of 15 December 2010 on the assessment of certain public and private facilities’ environmental impact (EIA) pursuant to the Planning Act.  
https://www.retsinformation.dk/forms/R0710.aspx?id=134469  
SEA: Notification of the act on the environmental assessment of plans and programmes, Executive Order No. 936 of 24 September 2009, amended by Section 10 of the Act to amend the nature protection act, the environmental protection act and various other laws, Act no. 484 of 11 May 2010, Executive Order No. 481 of 9 May 2011 amending Annexes 3 and 4 of the Act on environmental assessment of plans and programmes, Section 8 of the Environmental Protection Act, the Planning Act and various other acts, Act no. 1273 of 21 December 2011 and Section 11 in the act to amend the Act on the Nature and Environmental Appeals Board and various other acts, no. 580 of 18 June 2012.  
Act: https://www.retsinformation.dk/ | The EIA directive: The directive has been transposed into Danish law. The Ministry of the Environment has drawn up guidelines on how to prepare an EIA, and detailed information about the topic is available on the website of the Danish AgriFish Agency.  
The SEA directive: The directive has been transposed into Danish law. The Ministry of the Environment has drawn up the guidelines and collection of examples relating to the application of strategic environmental assessments.  
A special office has been set up in the Ministry of the Environment/Danish Nature Agency responsible for legislation, implementation and application of the EU directive on strategic environmental assessment in Denmark.  
Concerning supplementary education courses and training, courses and seminars are held annually with the participation of authorities, consultants and universities with a view to updating and |
<table>
<thead>
<tr>
<th>7. Statistical systems and result indicators</th>
<th>Yes</th>
<th>Schemes have been established for the punctual collection and aggregation of statistical data with the following elements:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- identifying sources and mechanisms for ensuring statistical validation;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- schemes for publication and publicly accessible aggregated data;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- an effective system of result indicators, including:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- the selection of result indicators for each programme that provides information about what motivates the selection of the policy initiatives that are supported by the programme;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- setting of targets for these indicators;</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

Sharing lessons learned in terms of both SEA and EIA.

The EAFRD programme and the ex-ante evaluation of this.

See the following chapters and annexes of the EAFRD programme:

Chapter 5.4. Table showing intervention logic, which contains tables of indicators selected from the European Commission’s proposals for common measurement indicators, in part of supplementary national target indicators selected from among the Commission’s proposed common output indicators for each measure.


Annex 1, Common context indicators.

Annex 1A, Supplementary Context Indicators.
- the compatibility of each indicator with the following requirements: strength and statistical validation, equivocal normative interpretation, responsiveness in relation to policy, punctual data collection;
- procedures for ensuring that an effective indicator system has been adopted for all operations supported by the programme.

<table>
<thead>
<tr>
<th>Annex 2. Indicator Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annex 3. The programme’s quantified targets, intervention logic and funding plan.</td>
</tr>
<tr>
<td>Appendix 4: Impact indicators, selection and baseline for the EAFRD programme.</td>
</tr>
</tbody>
</table>
The correlation of the ex-ante conditionalities with the priority axes under the ERDF and ESF programmes.

<table>
<thead>
<tr>
<th>Ex-ante conditionality applied at national level</th>
<th>Operational programme to which the ex-ante conditionality applies</th>
<th>The priority axis to which the ex-ante conditionality applies</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a national and/or regional strategy in place for smart specialisation – on a par with the National Reform Programme – to attract private investment in research and innovation which is characteristic of well-functioning national and regional research and innovation systems.</td>
<td>ERDF</td>
<td>Priority axis 1</td>
</tr>
<tr>
<td>Labour market institutions are modernised and strengthened in the light of the employment guidelines. The reforms of labour market institutions are based on a clear strategic framework and preceding assessment which includes the gender dimension.</td>
<td>ESF</td>
<td>Priority axes 1 and 2</td>
</tr>
<tr>
<td>Adapting wage-earners, enterprises and entrepreneurs to change: policies are currently in place aimed at promoting pre-emptive measures and good management of change and reorganisation.</td>
<td>ESF</td>
<td>Priority axis 1</td>
</tr>
<tr>
<td>Self-owned enterprise, entrepreneurial culture and enterprise start-up: a strategic policy framework for inclusive start-ups already exists.</td>
<td>ESF</td>
<td>Priority axis 1</td>
</tr>
<tr>
<td>The national strategic policy framework for combating poverty exists and is implemented with the aim of actively integrating people who have been excluded from the</td>
<td>ESF</td>
<td>Priority axis 3</td>
</tr>
</tbody>
</table>
labour market. These efforts are conducted in the light of the employment guidelines.

<table>
<thead>
<tr>
<th>Lifelong learning: There is a national and/or regional strategic policy framework for lifelong learning within the framework of Article 165 TFEU.</th>
<th>ESF</th>
<th>Priority axis 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a national or regional strategic policy framework for improving the quality and efficiency of vocational training programmes within the framework of Article 165 TFEU.</td>
<td>ESF</td>
<td>Priority axis 4</td>
</tr>
<tr>
<td>Combating discrimination</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>There is an administrative capacity in place for implementing and using EU legislation and EU policies for combating discrimination in the area covered by the ESI Funds.</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>Gender</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>There is an administrative capacity in place for implementing and using EU legislation and EU policies for gender equality in the area covered by the ESI Funds.</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>There is an administrative capacity in place for implementing and using the UN Convention on the Right of Persons with Disabilities (UNCRPD) within the ESI Funds in accordance with Council Decision 2010/48/EC.</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>Public procurement</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>State aid</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>within the ESI Funds</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------</td>
<td>-----</td>
</tr>
<tr>
<td>Environmental legislation concerning the Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA).</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>There are schemes in place to secure the effective application of EU environmental law concerning EIA and SEA.</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>Statistical systems and result indicators.</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>There is a statistical basis in place which is necessary for carrying out evaluations for assessing the programmes’ effectiveness and impact.</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
<tr>
<td>There is a system of result indicators in place which is necessary for selecting the initiatives which most effectively contribute to achieving the results preferred, monitoring progress against results and evaluating the effects.</td>
<td>ERDF, ESF</td>
<td>All</td>
</tr>
</tbody>
</table>
2.3.2. A description of applicable general and thematic/fund-specific ex-ante conditionalities for which national bodies are responsible and which are unfulfilled, including an indication of the timeframe for the fulfilment and the bodies responsible for their fulfilment

Not applicable to Denmark, as all ex-ante conditionalities are assessed as being fulfilled.

2.3.3. Additional information which is applicable to the fulfilment of ex-ante conditionalities, and the actions to be taken to fulfil them.

Not applicable.

2.4 The methodology and mechanisms to ensure consistency in the functioning of the performance reserve in accordance with Article 20 of the CPR

The Danish AgriFish Agency will be responsible for monitoring and evaluating the progress of the EAFRD and EMFF programmes. External partners are expected to be involved as part of the evaluation effort. For instance, the Department of Food Economics, University of Copenhagen, will be involved with its available knowledge relating to the EAFRD programme.

An evaluation plan will be prepared for each programme to ensure that satisfactory and relevant evaluation activities are carried out and that sufficient and relevant resources are available for this purpose.

Milestones and targets will be established in the performance framework for the EAFRD based on two types of indicators: financial indicators and output indicators. The output indicators are made up of indicators selected from the European Commission’s proposals for common target indicators.

The targets and milestones will be quantified, based on the breakdown of the support framework, for the measures and assumptions on the impact of the support per supported entity, which is based on practical experience with similar schemes and estimates of quantitative effects of similar types of support efforts carried out by the Department of Food Economics, University of Copenhagen.

The managing authority will use the monitoring systems associated with the EAFRD and EMFF respectively to continuously monitor developments in the financial and output indicators which are included in the performance framework for each programme.

For both the ESF and ERDF programmes, the milestones and targets in the performance framework are based on two types of indicator: financial and output. The output indicators are selected from among the indicators which form part of the programmes’ intervention logic and will illustrate the main part of the action under each priority.

The output milestones will be based on the resources available under each priority and on the knowledge of unit costs (output per DKK) from previous actions, which are almost similar in nature to the activities under the individual priority axis.

In instances where different activities (with different unit costs) can be launched under the same priority, the activities are required, for calculation purposes, to receive an equal sum of resources
for the implementation of the programme. If this is not the case, there may be a need to adjust both milestones and targets.

The managing authority will use the monitoring systems associated with each programme to continuously monitor developments in the financial and output indicators which are included in the performance framework.

2.5. An assessment of whether there is a need to reinforce the administrative capacity of the authorities involved in the management and control of the programmes and, where appropriate, of the beneficiaries, including, where necessary, a summary of actions taken for this purpose.

Significant changes are not predicted for the administrative set-up concerning the ESF and ERDF in Denmark, i.e. the managing authority will be located at the Danish Business Authority which delegates certain tasks relating to recommending projects to the regional growth forums for rejection or commitment. Secretariat services will be provided by the growth forum secretariats set up for this purpose. A high degree of continuity in the staff is therefore expected in all links of the project-application processing, and therefore there is not expected to be a need to carry out systematic skills development of the administrative employees involved in the case processing. On the contrary, it is expected that seminars and workshops attended by employees of the growth forum secretariats and the Danish Business Authority will be held on current topics, e.g. at programme start-up, where it will be possible to present programmes, application materials, regulations and guidelines.

During the 2007–2013 programme period, some beneficiaries made errors in the presentation of accounts of expenditure eligible for aid. The accountant who audited the project accounts has amassed wide knowledge of these errors, which are used as examples in training courses, which the accountant offers the projects as a supplementary service. In the assessment of the Danish Business Authority, participating in these courses helps the projects to submit reports of higher quality than before participation. Therefore, making participation in such courses compulsory for the projects is being considered for the upcoming programme period. If participation is made compulsory, the expense for this will be defrayed by the managing authority by means of technical assistance.

Similarly, no significant changes are expected for the planning of the administrative set-up for the EAFRD and EMFF in Denmark.

The Danish AgriFish Agency will continue as the managing authority for the EAFRD and EMFF programmes, and the Ministry of Housing, Urban and Rural Affairs will be the relevant authority for LAG actions in Denmark.

A high degree of staff continuity is predicted in all links of the process of applying for support.

In relation to the area of control, the Danish AgriFish Agency has decided to implement complete voucher control in the project-support area under the EAFRD programme. The implementation of

\[115\] A special transnational recommendation committee will be set up to deal with the 5% of ERDF resources earmarked for sustainable urban development. The Danish Business Authority is the managing authority.
complete voucher control is also being considered for the EMFF, and a final decision will be made in 2014.

All things considered, it is assessed that the management and control system for the ESI Funds in Denmark functioned efficiently in the 2007–2013 period and, for this reason, there is no need to strengthen the present system, except for a few minor adjustments.

2.6. A summary of the actions planned in the programmes, including an indicative timetable to achieve a reduction in the administrative burden for beneficiaries

As the managing authority, the Danish AgriFish Agency will make an ongoing effort to reduce the administrative burdens for beneficiaries and the agency has drafted an action plan specifying how to save resources for beneficiaries.

For the “area aid” schemes, efforts will continue to focus on digital reporting and collection of applications under the common application form for area aid under the first and second pillars of CAP, which is key for reducing the administrative burdens for applicants and beneficiaries. For these support schemes, there is also focus on clearer communication on selecting the areas that can be deemed eligible for support and on controlling compliance with the support conditions.

In terms of “area aid”, efforts will be made to reduce the error percentages through simplifying the rules, proportionality in the sanctioning, focus on when production blocks are edited and better communication with applicants.

Standardised costs for the area aid schemes were used in the 2007–2013 EAFRD programme, including for retaining wetlands on farmland, environmentally friendly conservation of grassland and nature areas and organic area aid, establishment of buffer strips, woodland on farmland and sustainable forestry. These schemes will be carried on during the 2014–2020 programme period.

In the area of project support, efforts will be made to implement a higher degree of uniformity and better application and guideline materials for applicants for the purpose of reducing the administrative burdens, such as:

1. Simplifying and standardising rules. Wherever possible and sensible, the managing authority will work to ensure that general rules for different schemes are uniformly described, e.g. by drafting one general executive order for the general rules in the regulatory basis across the schemes and one general set of guidelines for applicants.

2. Conformity between rules and guidelines. The managing authority will ensure that the content of guidelines/instructions for applicants is described in accordance with the rules according to the regulatory basis, programme and national rules, to avoid uncertainty about the rules.

3. Simplifying supplementary material for applications. The managing authority will prepare templates for areas that have proven to be different for applicants, e.g. public procedures and project employment.

4. Clear and understandable description of the applicant’s obligations. The managing authority will describe the obligations of the applicants concerning rendering the support more clearly visible, more precise and more complete.
### Indicative timetable:

<table>
<thead>
<tr>
<th>Planned action</th>
<th>Result</th>
<th>Start</th>
<th>End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simplifying and standardising rules</td>
<td>Drafting of a general executive order</td>
<td>Q2 2015</td>
<td>Q1 2016</td>
</tr>
<tr>
<td>Simplifying rules, instructions and guidelines</td>
<td>Review and update of rules, instructions and guidelines</td>
<td>Q1 2014</td>
<td>Q3 2015</td>
</tr>
<tr>
<td>Templates</td>
<td>Additional common templates need to be prepared and existing templates need to be updated</td>
<td>Q1 2014</td>
<td>Q3 2015</td>
</tr>
<tr>
<td>Obligations</td>
<td>Clearly and simply formulate the applicant’s obligations</td>
<td>Q2 2014</td>
<td>Q3 2014</td>
</tr>
</tbody>
</table>

After thorough feasibility studies, it has been decided that standard costs will not be introduced in connection with project schemes under the EAFRD and the EMFF, as this is not assessed at present to be expedient from an administrative or auditing point of view. It would require comprehensive basic data, reliable and validated calculation methods and considerable preceding work in the administration and with stakeholders to introduce a viable model for standardised costs.

At the same time, there is uncertainty about the audit-related assessment of the special documentation requirement. The latest reports from the Court of Auditors and the European Commission indicate fundamental doubt concerning the scope of documentation for costs actually
incurred. A basic concern of the Court of Auditors is that an applicant must not be overly compensated in relation to the costs actually incurred.

In relation to the ERDF and ESF programmes, the administrative burden is planned to be reduced as follows:

Certain types of cost are to be exempt from eligibility, if they are considered minor sums on average. This helps to achieve a short, easy-to-manage list of which expenses can be included in the project accounts, thereby reducing the administrative burdens relating to the reporting of project-relevant expenses.

In addition, simplifying the rules for calculating eligible wage expenses is under consideration, which will also reduce the amount of time spent by projects on reporting. The simplifications will be backed up by improved and more targeted communication of rules and requirements. How best to achieve this is the subject of a development task launched in 2012 and which is expected to be completed before the end of 2013.

In 2011, Denmark introduced a flat rate of 18% of the direct costs for covering all other costs. The continuation of this rule in the next period is under consideration, as the lessons learned from projects which use the flat rate show that it results in administrative simplifications for beneficiaries. The current programme period includes projects that were launched before the introduction of the flat-rate rule. The full extent of the simplification will therefore not be achieved until the rule has been implemented for all projects.

The rules for specifying wage expenses eligible for aid are to be simplified. This initiative will make it simpler for beneficiaries to correctly specify expenses eligible for aid, thus enabling beneficiaries to save time. The simplification is expected to be introduced with the adoption of new support eligibility rules, presumably 1 May 2014.

For the ESF, the option of calculating the expenses eligible for aid as direct wages + 40% is being introduced, whereby beneficiaries who choose this option save time, as only one type of expense has to be calculated and documented.
Section 3

3. Description of the integrated approach to territorial development supported by the ESI Funds or a summary of the integrated approaches to territorial development based on the contents of the programmes (Article 15(2)(A) CPR).

3.1 The arrangements to ensure an integrated approach to the use of the ESI Funds for the territorial development of specific sub-regional areas (Article 15(2)(a) CPR).

Territorial development strategy

The Partnership Agreement must include a territorial development strategy which takes account of the analysis presented in the introduction describing Denmark’s growth challenges. As shown in the socioeconomic analysis on which the Partnership Agreement is based, the regional differences within Denmark are generally minor. As a result, it has not been deemed necessary to launch a wide range of special actions for special geographical areas within the framework of the ESI Funds. The overarching focus is on growth-promoting actions for the benefit of Denmark as a whole, instead of actions targeting special territories. There may be significant differences in the socioeconomic situation within an individual region, however, and there may be special conditions in selected territories which require a special effort in these areas. The following applies:

- Zealand: Region Zealand will be a transition region in relation to the ERDF and the ESF in the 2014–2020 period, with an average GDP of almost 87.3% of the EU average. Thus, Region Zealand will receive a separate allocation of resources under the ERDF and ESF.

- Urban areas: Urban areas are particularly challenged by an increasing influx of new residents. This requires solutions relating to water and waste management, for instance, and for carbon emissions from buildings. Challenges of this nature can be addressed in urban areas with a population of more than 30,000 with a special action for holistic sustainable urban development under the ERDF.

- Rural areas: Rural areas are delimited for the purposes of the EAFRD programme as all areas outside the thirteen largest urban areas in Denmark (defined as urban areas with a population of more than 45,000). Based on this geographical delimitation, further restrictions can be applied to specific, tangible action areas out of consideration for the nature and scope of the actions.

- Peripheral areas: Certain areas of Denmark face special challenges due to weak socioeconomic development and a less favourable geographical location (more than a 30-minute drive from a major urban area, as well as the 27 small islands). The regional growth forums are responsible for laying down a special strategic action for these geographical areas and following up on whether growth and employment promoting efforts are made in these areas with support from the ERDF, ESF, etc.

- Special geographical areas: A few areas are facing unique challenges in relation to generating development and creating new jobs. Under the ERDF, it will be possible to grant

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116 Article 15(2)(a) of the CPR for the ESI Funds.
117 Significant sub-regional differences can be observed (see Section 1.1.12), however.
118 Vækst gennem innovation [Growth through innovation], No 5, May 2011, Danish Ministry of Economic and Business Affairs, p. 10.
a higher level of state aid in special geographical areas. (The special geographical areas are the islands of Læsø, Ærø, Langeland, Samsø and Bornholm, Lolland Municipality, and the 27 small islands, all of which are included in the designation of general state-aid areas and at the same time characterised as being without a bridge link or having an average earned per capita income below 75% of the national average.)

- On a number of small Danish islands, farming is conducted under relatively unfavourable conditions, as the farmers on these islands experience a number of disadvantages in the form of difficulty in retaining residents, higher production costs, weaker competitiveness and poorer possibilities for planning. Special area aid for agricultural operation can be granted under the EAFRD programme on 31 designated small islands without bridge links (island support scheme).  

- Macre regional strategies.

Basically, however, ESIF action targets Denmark as a whole.

Given that a comprehensive common administrative framework has been organised around the ERDF and the ESF, it is also true of these two programmes that there is joint access to territorial development, which has an obvious interface with the action under the EMFF and the EAFRD.

The EMFF and EAFRD

The vast majority of the EAFRD and the EMFF actions are to be implemented by means of centrally managed, nationwide schemes, whose resources can be applied for directly from the Danish Ministry of Food, Agriculture and Fisheries. The schemes largely target primary agriculture sector and the fishery and aquaculture sector, and the action, as it relates to the structural funds, is clearly delimitd under normal circumstances.

At least 5% of EAFRD resources are to be locally implemented by means of local action groups. This means that the activities are locally anchored and are implemented in a bottom-up process on the basis of site-based resources and challenges. Similarly, a small portion of the budget under the EMFF can be used for local projects in fishery areas.

The ERDF and the ESF

The ERDF and the ESF are to be implemented predominantly by means of the regional growth forums. The regional growth forums prepare contributions dealing with the business and growth-related parts of the regional growth and development strategies for the individual regions, including actions targeting peripheral areas. The regional growth and development strategies – together with the operational ERDF and ESF programmes – form the basis on which the application of Denmark’s ERDF and ESF resources is prioritised. Together the regional growth forums cover the whole country, but the regional approach to the implementation of ERDF and ESF resources means that account is taken of regional and local-based challenges which can also be analytically identified. The joint administrative set-up for the ERDF and ESF contributes to ensuring clear interfaces between the funds.

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119 The scheme for special area payment for farms located on small islands without bridge links (island subsidy) will cease under the EAFRD programme from 2015. Instead, from 2015, it is intended that the possibility of continuing the subsidy as a special area supplement to the basic payment under the first pillar of the CAP for everyone farming in the areas concerned will be applied.

120 However, see Section 3.1.3 concerning the 5% of ERDF resources for sustainable urban development, and see Section 2.1.1 concerning EURES.
National funding pool

Roughly 7.5% of the resources under the ERDF and ESF programmes are earmarked for a national funding pool that is to be implemented by a central authority. Relevant transregional projects based on, for example, growth plans, the Danish Government’s upcoming strategy for Denmark as a manufacturing country and the Baltic Sea Strategy will be eligible for support. Here, the Danish Government will have the option of launching projects of interest in more than one region, and the Danish Government will be able to enter into collaboration with growth forums by providing financial assistance. A national funding pool must be implemented within the framework stipulated by the operational programmes.

The Danish Business Authority is the managing authority for this national funding pool. According to the Act on the Administration of the ERDF and ESF, the Minister for Business and Growth determines the use of the national funding pool following consultation with the Danish Growth Council.

Region Zealand

Region Zealand is designated a transition region in the 2014–2020 period, cf. section 1. Generally speaking, Region Zealand faces the same challenges as the other regions, however. As Region Zealand’s situation is not attributable to actual value-creation differences, and, seeing that Region Zealand does not have significant challenges which differ from the other Danish regions, Denmark will not encourage Growth Forum Zealand to take an unusual content-related focus in its business development strategy from 2014 to 2020.

Peripheral areas

According to the Act on Business Promotion and Regional Development, growth forums may co-fund activities to promote regional business development in peripheral areas. Regional growth forums are tasked with preparing contributions dealing with the business and growth-oriented parts of the regional growth and development strategy. As part of this effort, growth forums must describe the action targeting the peripheral areas within the region. The peripheral-area contribution must meet a number of specific requirements laid down in the Act on Business Promotion and Regional Development. The peripheral area actions are to be evaluated by external evaluators, including as part of the Danish Growth Council’s follow-up of the actions. This will maintain focus on generating results and sharing experiences between appropriate players.

For the 2014–2020 period, peripheral areas are defined by combining an earned income criterion with a distance (driving time) criterion, so that peripheral areas are municipalities which meet the following two criteria:

- the municipality’s per capita earned income is less than 90% of the national average (average over the past 3 years)
- it is more than a half-hour drive to a major urban area, which is defined as having more than 45,000 inhabitants (Greater Copenhagen, Aarhus, Odense, Aalborg, Esbjerg, Randers, Kolding, Horsens, Vejle, Roskilde, Herning and Helsingør).
Figure 31. Peripheral-area municipalities are defined as municipalities with per capita earned income below 90% of the national average and with at least half an hour’s drive to a major urban area (23 municipalities).

Note: Includes 27 small Danish islands.
Source: Statistics Denmark, the Ministry of Housing, Urban and Rural Affairs and internal calculations.

Twenty-three municipalities meet these two criteria, cf. Figure 31: Bornholm, Frederikshavn, Guldborgsund, Hjørring, Jammerbugt, Langeland, Lolland, Læsø, Morsø, Norddjurs, Odsherred, Samsø, Skive, Slagelse, Struer, Svendborg, Sønderborg, Thisted, Tønder, Vesthimmerlands, Vordingborg, Ærø and Aabenraa. A total of 940,000 people reside in these areas. Fourteen of the existing 16 municipalities that were peripheral areas in the 2007–2013 period are comprised by this model, whereas Brønderslev and Faaborg-Midtfyn are not, as they are too close to Aalborg and Odense respectively. In addition are the 27 small Danish islands.

Urban areas
The 5% of ERDF appropriations to be used for sustainable urban development is planned to be implemented by means of a special priority in the programme, including by means of a special recommendation committee representing the most important players in relation to urban areas (see Section 3.1.3).

3.1.1. Community-led local development
Community-led local development will not be used for the implementation of the ERDF or the ESF in Denmark. Most of the actions under the ERDF and ESF will be prioritised by the regional growth forums within the frameworks of the two operational programmes and the regional growth and
development strategies. See Section 3.1.3 and the ERDF programme’s priority axis 4 for further details on the action concerning holistic sustainable urban development under the ERDF.

In Denmark, actions under “Community-led social development” will be carried out under the EAFRD and the actions will contribute to the fulfilment of thematic objective 9. In addition, actions can be carried out under the EMFF, and if this is the case, the actions will contribute to the fulfilment of thematic objective 8.

Pursuant to the EAFRD regulation, local action groups (LAG) must be established in designated rural areas. In addition, pursuant to the EMFF regulation, local action groups (FLAG) can be established in designated fishery areas.

The budget for the LAG actions is expected to amount to 5.2% of the total budget for the EAFRD programme for the 2014–2020 period.

The action under the EAFRD to be carried out under the focus area “Promoting local development in rural areas” (6B) includes the following measures:

- investment in the food sector;
- enterprise creation and development;
- basic services and urban renewal;
- cooperation projects;
- preparation of local development strategies;
- operation and development of local action groups.

The underlying general principle of the LEADER method is to ensure a high degree of local influence as part of implementing the programme action. The local democracy approach and decision-making process relating to implementation of projects is important and helps to promote local enthusiasm and project quality. The implementation of LAG projects according to the LEADER method contributes to strengthening the identity of the individual local area, which gets a developmental push to support business development, framework conditions, tourism and settlement.

Denmark will carry on the national rural-area network that has been created and developed through the 2007–2013 programme period. The network comprises organisations, associations and public administrations involved in the preparation and implementation of the development of rural areas in Denmark. Moreover, it is possible to establish a network concerning activities in fishery areas.

3.1.2. Integrated territorial investments (ITI)
The possibility of implementing integrated territorial investments (ITI) is not used in Denmark.

3.1.3. Sustainable urban development, including the principles for identifying urban areas where integrated actions for sustainable urban development are to be implemented and an indicative allocation for these actions at national level.
Under thematic objectives 1 and 4, the ERDF can help to support systemically sustainable urban development121 by bringing special focus to bear on addressing the environmental, energy-related

121 Article 7 of the ERDF regulation.
and resource-related challenges in selected urban areas, with growth and business development in mind.

The ERDF action must constitute part of an overarching strategy which to a relevant extent describes a holistic effort in relation to the financial, climate-related, environmental, demographic and social challenges in the individual urban areas and which takes account of promoting cohesion between rural and urban areas. Previously developed strategies – including municipal development plans and Agenda 21 strategies for sustainable development – must be the basis for the strategy of the individual urban area.

ERDF action to create holistic sustainable urban development is limited to focusing on a small number of development and demonstration projects in selected urban areas. Under the heading *Smart Urban Innovation*, it will be possible to support:

1. The development of methods and/or technologies which can result in “SMART” products, which can increase energy efficiency and resource efficiency in towns, cities and urban areas.
2. The testing of the method and/or technology concerned within the framework of projects taking place in selected urban areas in Danish towns and cities with a population of more than 30,000.
3. The evaluation of the project and the dissemination of results, including a description of how the project has distinct commercial potential,\textsuperscript{122} i.e. the potential to be marketable to other towns or cities facing similar sustainability challenges.

Projects, which must clearly demonstrate how energy consumption in urban areas with a population of more than 30,000 can be reduced, can concern one or more of the following three thematic areas: 1) Climate, water and urban areas; 2) Buildings in urban areas; 3) Waste management and prevention in urban areas (resource utilisation and recycling).

Refer to the ERDF programme for further details about the content-related options.

*Urban areas*

The action targets urban areas with a population of more than 30,000, corresponding to the definition of growth and manufacturing towns used in the 2013 National Plan Statement.

Urban areas with more than 30,000 inhabitants serve as centres for commuting and workplaces and are deemed to have a certain capacity in relation to education, research, knowledge workplaces, experiences with sustainability/climate adaptation, etc., and for this reason provide a better basis for having an effect and for preparing holistic actions.

Urban areas with more than 30,000 inhabitants which can be considered for the action for sustainable urban development:

\textsuperscript{122} *Veje til en Bæredygtig Fremtid* [The Way to a Sustainable Future], “Tænketank om bæredygtigt forbrug og grønne forretningsmodeller” [Think-tank for sustainable consumption and green business models], 2013, p. 30.

It should be noted that only these selected towns and cities may be included in an Urban Development Network at European level.

Five per cent of ERDF funds are to be used for sustainable urban development. This 5% will be earmarked in a separate priority (priority 4).

Table 12. Indicative allocation at national level for integrated sustainable urban development under the ERDF:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Indicative allocation at national level for integrated sustainable urban development under the ERDF (EUR):</th>
<th>Percentage of total ERDF allocation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td>10,330,792</td>
<td>5%</td>
</tr>
</tbody>
</table>

3.1.4. The main priority areas for cooperation under the ESI Funds, taking account, where appropriate, of macro-regional and sea-basin strategies

All Danish regions are eligible for support under cross-border and transnational programmes. Thus, it is possible for all Danish regions to supplement activities that are fundable in the national ERDF programme within technological development and innovation with cross-border activities.

One of the purposes of this is to ensure that it is possible to promote elements of regions’ growth and development strategies that can be given a boost through cross-border collaboration projects. At the same time, it also ensures that it is possible to take part, through the transnational programmes in international collaboration projects in areas like technological development and innovation.

National programmes do not focus on the transportation objective, but Danish partners will have the possibility of taking part in projects in this area by participating in cross-border or transnational projects, especially in feasibility projects, studies and pilot projects. Cross-border and transnational programmes also provide Danish partners with the possibility of taking part in projects under the thematic objective of “protecting the environment and promoting resource efficiency”. In these instances, these projects could supplement the activities carried out under the thematic objective in question under the national EAFRD and EMFF.

Special considerations concerning the ESF, ERDF and transnational collaboration

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123 The definition of Greater Copenhagen is based on Statistics Denmark’s definition of this entity, so that the actions concerning whole municipalities and not only parts of municipalities, i.e.: the municipalities of Copenhagen, Frederiksberg, Albertslund, Brøndby, Gentofte, Gladsaxe, Glostrup, Herlev, Hvidovre, Lyngby-Taarbæk, Rødovre, Tårnby, Vallensbæk, Ballerup, Rudersdal, Furesø, Ishøj and Greve. Municipalities with a population of less than 30,000 within the Capital Region of Denmark must apply jointly with neighbouring municipalities to bring the interconnected urban area up to a minimum population of 30,000.
Two options will be added to the ESF and ERDF programmes for obtaining support for transnational activities:

a) Projects explicitly focusing on the Baltic Sea Strategy at the time of application. At the time of application, these projects will be able to describe the circle of partners in both their own country and in the countries with which they are collaborating. Regional growth forums can choose to give such projects higher priority than other projects in their regional selection criteria.

b) Projects that have already obtained a grant from the structural funds will be able to apply for a supplementary grant for a transnational superstructure. This type of project enlargement including a transnational element would be relevant if it turns out to be appropriate to work together with similar projects in other Baltic Sea countries during the project process. As this will typically involve high costs for collaboration activities, these costs would be eligible for support, and the term of the project could similarly be extended. For projects recommended by a regional growth forum, a supplementary grant would require a positive recommendation from the growth forum in question to the managing authority.

It applies to both a) and b) that it will not be possible for players from other countries to be able to receive support as project partners, i.e. it will not be possible to disburse support from Denmark’s structural fund programmes on the basis of these partners’ non-invoiced expenses. On the other hand, foreign players can be suppliers to projects under the programmes. Otherwise, the general rules on additionality, programme conformity, part-funding, etc. (as detailed in the programmes) will apply to the projects’ expenses which are eligible for support.

**Special considerations concerning the EAFRD and EMFF**
For a description of the actions under the EAFRD and EMFF programmes that will contribute to the implementation of the relevant subsidiary objectives of the Baltic Sea Strategy, see Section 1.1.13.

The LAG action under the EAFRD programme is not expected to comprise transnational projects.

**3.1.5. Where appropriate, an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or social exclusion, with special regard to marginalised communities, persons with disabilities, long-term unemployed and young people not in employment, education or training**

Not applicable to the general Danish action.
3.1.6. Where appropriate, an integrated approach to address demographic challenges of regions or specific needs of geographical areas which suffer by severe and permanent natural or demographic handicaps, as defined in Article 174 of the Treaty.

Specific geographical areas

Denmark uses the regional aid map in relation to the ERDF in areas facing special socioeconomic or geographical challenges. The special geographical areas are the islands of Læsø, Ærø, Langeland, Samsø, Bornholm, and Lolland Municipality and the 27 small islands, all of which are included in the designation of general state-aid areas and at the same time characterised as being without a bridge link or having an average earned per capita income below 75% of the national average. The option is expected to be exercised in relation to ERDF priority 1, where innovation in special geographical areas may take place in individual enterprises – regardless of size, under priority 2 on promoting SME competitiveness, and only in relation to enterprises that have been part of other actions outlined under this priority and in relation to ERDF priority 3, including for the implementation of green business models (see the ERDF programme).
Section 4

4. Arrangements to ensure efficient implementation of the Partnership Agreement and programmes, Article 15(2)(B) CPR

4.1. An assessment of existing systems for electronic data exchange and a summary of the actions planned to gradually permit that all exchanges of information between beneficiaries and authorities responsible for management and control of programmes be carried out by electronic data exchange

Existing system for data exchange – the ERDF and the ESF.
The existing system for processing the ERDF and ESF enables applicants to search for all the relevant information about the funds on the managing authority’s website (www.regionalt.dk).

The website which is continuously updated, contains information about the funds in general, contact information, information about the application process, reporting requirements, and requirements for settlement, templates to be used for project administration (progress report, financial reporting form, participant and employee files, start-up and termination forms), information about the personal data protection act, regulatory basis (EU and national), a project database containing a description of all supported projects, a regional statistics bank, as well as media clips, research articles and descriptions of the annual events.

At the website, the applicant also has access to an electronic application form where it is possible to be set up as a user and gain unique user access. The application form is to be filled in and submitted electronically along with a signed hard copy. A solution involving the use of electronic signatures is being worked on.

Information and data from the application form is automatically fed into the managing authority’s Subsidy Administration Control System (TAS). The regional growth-forum secretariats have access to the TAS and carry out their initial case processing recommendations through this system. The managing authority continues its case processing in the same system, the central auditor who endorses financial statements work in the system, and the auditing and payment authority also has access to the system; payments and requests for payment to the European Commission are generated by means of TAS and placed in SFC2007. TAS contains project master data, financial data (accounts and budgets), record-keeping, categorisation/impact data and built-in management of the case flow.

When subsidy is pledged, the case is created in the Project Reporting Application (PRV), which is accessible to the project using a unique login link sent by e-mail to the project administrator. In PRV, the project is now given access to the commitment details and the project’s budget, including information about a new budget every time the managing authority approves a change. The information is automatically transferred from TAS. From here, the project can request new budgetary changes, and these requests are automatically submitted to the managing authority for approval. In addition, the project provides information about the project’s participating partners and network participants using this application.
The purpose of the above is to enable every single project to submit its interim financial statements, progress reports, milestones and results, provide information about modified contact details, register participants’/employees’ time use, provide information about impact, contact the managing authority if they have questions, etc.

The application is intended to make it easier and more manageable for projects to meet the administration requirements for an ERDF or ESF project and is also intended to ensure the quality of the materials which projects intend to submit to the managing authority. It is envisaged that it will be possible to use auxiliary applications, like an accounting form/presentation of financial statements, participant/employee files, links to start-up and termination forms and result follow-up forms through PRV. It is expected that it will be possible to submit financial statements for projects through PRV before the end of the current programmes in 2015.

Right now, efforts are being made to develop and test a flexible reporting system based on standard software which will make it possible to collate all data from the various databases used in the administration of the ERDF and ESF.

The IT systems are not integrated with SFC2007. As there is only one ERDF programme and one ESF programme in Denmark, the decision has been made to use SFC2007 access for entering/uploading information in the templates placed in the system.

**Assessment of the data-exchange system**

Based on the European Commission’s analysis of e-Cohesion, which was implemented in 2011, the present system in Denmark for handling the ERDF and ESF is at level 3, and a few elements are at level 4. With the scheduled expansion of PRV, the Danish system is expected to be at level 4 for the 2014–2020 period, and before the date set in the regulations.

<table>
<thead>
<tr>
<th>Main actions planned</th>
<th>Expected results</th>
<th>Indicative timeframe (start and end date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration of book-keeping and payment claims in PRV</td>
<td>The projects can submit requests for payment electronically</td>
<td>March 2013 -&gt; Nov. 2014</td>
</tr>
<tr>
<td>Integration of partner, participant and employee module in PRV</td>
<td>The projects create partners, participants and employees in a module, and this is integrated with the submission of financial statements in requests for payment</td>
<td>June 2013 -&gt; Nov. 2014</td>
</tr>
<tr>
<td>Integrating the communication module into PRV</td>
<td>The projects can see documents and communicate electronically with a case officer</td>
<td>July 2013 -&gt; Dec. 2014</td>
</tr>
<tr>
<td>Integration of entering and collecting impact data in PRV</td>
<td>The projects send all impact data from PRV electronically</td>
<td>Oct. 2013 -&gt; Dec. 2014</td>
</tr>
<tr>
<td>Integrating NemID into PRV</td>
<td>Users approve/sign for data in PRV using NemID; signatures are no longer needed</td>
<td>July 2013 -&gt; Dec. 2014</td>
</tr>
</tbody>
</table>

**Existing system for data exchange: the EAFRD and EMFF programmes**

Applicants can find relevant information about the EAFRD and the EMFF and the support schemes launched under the programmes on the Danish AgriFish Agency’s website ([www.naturerhverv.dk](http://www.naturerhverv.dk)) and they can find information about the LAG actions at the website [www.livogland.dk](http://www.livogland.dk).

The Danish AgriFish Agency’s website includes descriptions of individual support schemes, information about the conditions for support, the application procedure, statutory basis (EU and national), an application form and instructions, material for use for receiving subsidy payments and reporting, etc.

The support schemes under the EAFRD programme are managed in the subsidy administration systems BTAS (Basic Subsidy Administration System), and MVJ-TAS (Environmentally-friendly Agricultural Measures Subsidy Administration System, area-based support schemes). The support schemes under the EMFF are managed in BTAS. The use of these subsidy administration systems provides for efficient, accurate data administration.

The Danish AgriFish Agency uses BTAS for subsidy administration for all project and investment schemes. BTAS contains all project data, financial data (budgets and accounts), records processing, reporting data and controlling case flow.

The MVJ-TAS is used for subsidy administration of area-based agricultural schemes in the EAFRD programme.

Applications for subsidy under the project schemes of both programmes must be submitted either by letter or by e-mail to the Danish AgriFish Agency. The Agency recommends that applications be sent by e-mail.

The area-based schemes under the EAFRD programme are included in the basic payment scheme in a joint application form with a joint electronic area-identification system. The common form is submitted electronically using the Danish AgriFish Agency’s self-service portal.

**Summary of initiatives planned for the electronic exchange of data**

In connection with the 2014–2020 programme period, it is planned that electronic application forms for the project support schemes will be implemented under the two programmes, and electronic receipt of the agency’s letters to applicants and beneficiaries is being planned.

Information will be exchanged between the Danish AgriFish Agency and the Ministry for Housing, Urban and Rural Affairs concerning beneficiaries under the LAG schemes. In addition, the Danish AgriFish Agency and the Ministry of the Environment, which manages the forestry schemes, will collaborate on data exchange.
Annex 1: List of invitees to a workshop about the Partnership Agreement on 27 September 2012

3F (United Federation of Danish Workers)
Agency of Science, Technology and Innovation
Association for the Hotel, Restaurant and Tourism Industry in Denmark
Association New Dane
Association of Danish Mortgage Banks
BAT-Kartellet (Danish Workers Employed in Construction and Woodworking Sectors)
Bornholm Growth Forum
Capital Region Growth Forum
Capital Region of Denmark
Central Denmark Growth Forum
Central Denmark Region
CO-industri (Central Organisation of Industrial Employees)
Committee for Coastal Fishing
Confederation of Danish Industry
Danish Agriculture and Food Council
Danish AgriFish Agency
Danish Aquaculture
Danish Association of Architectural Firms
Danish Bankers Association
Danish Business Authority
Danish Centre for Environment and Energy
Danish Chamber of Commerce
Danish Construction Association
Danish Consumer Council
Danish Disability Council
Danish Employers’ Association
Danish Environmental Protection Agency
Danish Federation of Small and Medium-Sized Enterprises
Danish Fishermen’s Association
Danish Fishermen’s Occupational Health Services
Danish Forest Association
Danish Horticulture
Danish Insurance Association
Danish Maritime Authority
Danish Ministry of Business and Growth
Danish Nature Agency
Danish Ornithological Society
Danish Outdoor Council
NNF Trade Union
Danish Ports
Danish Red Cross
Danish Regions
Danish Seafood Association
Danish Society for Nature Conservation
Danmarks Fiskehandlere (Danish Fish Traders)
Danmarks Idrætsforbund (Danish Organisation of Sports)
Danmarks Pelagiske Producentorganisation (Danish Organisation of Pelagic Fish Producers)
Danmarks Sportsfiskerforbund (Danish Society of Anglers)
Dansk Amatørfiskerforening (Danish Society of Amateur Anglers)
Dansk Fritidsfiskerforbund (Danish Society of Leisure Anglers)
Dansk Kystfiskerforening (Danish Society of Coastal Anglers)
Danske Fiskeres Producentorganisation (Danish Fishermen’s Producer Organisation)
Danske Restauranter og Caféér (Association of Danish Restaurants and Cafés)
Disabled People’s Organisations Denmark
Economic Council of the Labour Movement
European Commission
Ferskvandsfiskeriforeningen for Danmark (Danish Association of Freshwater Fishermen)
Fiskerifacilitator (Fishery Facilitator)
Greenpeace
Knowledge Centre for Agriculture
Konsumfiskeindustriens Arbejdsgiverforening (Employers Association for the Danish Retail Fish Industry)
LAG representative (fishery)
LAG representative (rural areas)
Landdistrikternes Fellesråd (Joint Council of Rural Areas)
Landsforeningen for Bæredygtigt Landbrug (National Association of Sustainable Agriculture)
Landsforeningen Levende Hav (National Living Seas Association)
LO, the Danish Confederation of Trade Unions
Local Government Denmark
Marine Ingredients Denmark
Ministry for Economic Affairs and the Interior
Ministry of Children and Educational Affairs
Ministry of Climate, Energy and Building
Ministry of Culture
Ministry of Finance
Ministry of Food, Agriculture and Fisheries
Ministry of Foreign Affairs
Ministry of Gender Equality and Ecclesiastical Affairs
Ministry of Science, Technology, Innovation and Higher Education
Ministry of Social and Integration Affairs
Ministry of the Environment
National Labour Market Authority
New to Denmark
North Denmark Growth Forum
North Denmark Region
Økologisk Landsforening (National Association of Organic Farming)
One common representative for municipalities (rural areas)
Rådet for Socialt Udsatte (Council for the Socially Disadvantaged)
Realkreditforeningen (Association of Danish Mortgage Institutions)
Region of Southern Denmark
Region Zealand
Representative, Danish Regions (fishery)
Representative, Danish Regions (rural areas)
Representative, Danish Regions (regional development)
Skagenfiskernes Producentorganisation (Organisation of Skagen Fishermen)
South Denmark Growth Forum
TEKNIQ
The Association of Small Danish Islands
The Danish Bar and Law Society
The Ministry of Employment
The Ministry of Housing, Urban and Rural Affairs
Visit Denmark
World Nature Fund (WWF)
Zealand Growth Forum
Annex 2. List of invitees to three workshops about the operational programmes

List of invitees to a workshop about the ERDF and ESF programmes on 28 September 2012

Agency of Science, Technology and Innovation
Association for the Hotel, Restaurant and Tourism Industry in Denmark
Association New Dane
Association of Danish Mortgage Banks
BAT-Kartellet (Danish Workers Employed in Construction and Woodworking Sectors)
Bornholm Growth Forum
Capital Region Growth Forum
Capital Region of Denmark
Central Denmark Growth Forum
Central Denmark Region
CO-industri (Central Organisation of Industrial Employees)
Confederation of Danish Industry
Danish Agriculture and Food Council
Danish AgriFish Agency
Danish Association of Architectural Firms
Danish Bankers Association
Danish Building Research Institute
Danish Business Authority
Danish Chamber of Commerce
Danish Construction Association
Danish Disability Council
Danish Employers’ Association
Danish Federation of Small and Medium-Sized Enterprises
Danish Insurance Association
Danish Nature Agency
Danish Red Cross
Danish Regions
Danmarks Idrætsforbund (Danish Organisation of Sports)
Danske Restauranter og Cafés (Association of Danish Restaurants and Cafés)
Disabled People’s Organisations Denmark
Economic Council of the Labour Movement
European Commission
LO, the Danish Confederation of Trade Unions
Local Government Denmark
Ministry for Social Affairs and the Interior
Ministry of Business and Growth
Ministry of Climate, Energy and Buildings
Ministry of Culture
Ministry of Finance
Ministry of Gender Equality and Ecclesiastical Affairs
Ministry of the Environment
National Labour Market Authority
North Denmark Growth Forum
North Denmark Region
Rådet for Socialt Udsatte (Council for the Socially Disadvantaged)
Region of Southern Denmark
List of invitees to a workshop about the EMFF programme on 2 October 2012

3F (United Federation of Danish Workers)
Committee for Coastal Fishing
Danish AgriFish Agency
Danish Aquaculture
Danish Bankers Association
Danish Business Authority
Danish Centre for Rural Research
Danish Chamber of Commerce
Danish Consumer Council
NNF Trade Union
Danish Environmental Protection Agency
Danish Fishermen’s Association
Danish Fishermen’s Occupational Health Services
Danish Maritime Authority
Danish Nature Agency
Danish Ports
Danish Regions
Danmarks Fiskerhandlere (Association of Danish Fish Traders)
Danmarks Pelagiske Producentorganisation (Danish Organisation of Pelagic Fish Producers)
Danmarks Sportsfiskerforbund (Danish Society of Anglers)
Dansk Amatørfiskerforening (Danish Society of Amateur Anglers)
Dansk Fritidsfiskerforbund (Danish Society of Leisure Anglers)
Danske Fiskerers Producentorganisation (Danish Fishermen’s Producer Organisation)
Department of Food and Resource Economics, University of Copenhagen
European Commission
Ferskvandsfiskeriforeningen for Danmark (Danish Association of Freshwater Fishermen)
Fiskerifacilitator (Fishery Facilitator)
Greenpeace
Innovative Fisheries Management (IFM), Aalborg University
Konsumfiskeindustriens Arbejdsgiverforening (Employers Association for the Danish Retail Fish Industry)
LAG representative (fishery)
Landdistrikternes Fellesråd (Joint Council of Rural Areas)
Landsforeningen Levende Hav (National Living Seas Association)
Local Government Denmark
Mdkulturen (Food Culture)
Marine Ingredients Denmark
Ministry of Climate, Energy and Building
Ministry of Food, Agriculture and Fisheries
Ministry of Housing, Urban and Rural Affairs
Ministry of Science, Technology, Innovation and Higher Education
National Institute of Aquatic Resources and the National Food Institute, both of the Technical University of Denmark
Representative, Danish Regions (fishery)
Skagenfiskernes Producentorganisation (Organisation of Skagen Fishermen)
Visit Denmark
World Nature Foundation (WWF)

List of invitees to a workshop about the EAFRD programme on 11 October 2012

3F (United Federation of Danish Workers)
Aarhus University: Department of Food Science and Department of Agroecology
Association of Small Danish Islands
Confederation of Danish Industry
Danish Agriculture and Food Council
Danish AgriFish Agency
Danish Bankers Association
Danish Business Authority
Danish Centre for Rural Research
Danish Chamber of Commerce
Danish Consumer Council
Danish Environmental Protection Agency
Danish Forest Association
Danish Horticulture
Danish Nature Agency
Danish Ornithological Society
Danish Outdoor Council
NNF Trade Union
Danish Regions
Danish Society for Nature Conservation
Department of Food and Resource Economics, University of Copenhagen
European Commission
Knowledge Centre for Agriculture
LAG representative (rural areas)
Landdistrikternes Fællesråd (Joint Council of Rural Areas)
Landsforeningen for Bæredygtigt Landbrug (National Association of Sustainable Agriculture)
Local Government Denmark
Madkulturen (Food Culture)
Ministry of Climate, Energy and Building
Ministry of Finance
Ministry of Food, Agriculture and Fisheries
Ministry of Housing, Urban and Rural Affairs
Ministry of Science, Technology, Innovation and Higher Education
Økologisk Landsforening (National Association of Organic Farming)
One common representative for municipalities (rural areas)
Realkreditforeningen (Association of Danish Mortgage Institutions)
Representative, Danish Regions (rural areas)
Visit Denmark
Annex 3: List of invitees to the presentation of the European Commission’s Position Paper by Commissioner Hahn, 3 December 2012

3F (United Federation of Danish Workers)
Aarhus University: Department of Food Science and Department of Agroecology
Agency of Science, Technology and Innovation
Association for the Hotel, Restaurant and Tourism Industry in Denmark
Association New Dane
Association of Danish Mortgage Banks
Association of Small Danish Islands
BAT-Kartellet (Danish Workers Employed in Construction and Woodworking Sectors)
Bornholm Growth Forum
Capital Region Growth Forum
Capital Region Growth Forum
Capital Region of Denmark
Central Denmark Region
CO-industri (Central Organisation of Industrial Employees)
Committee for Coastal Fishing
Confederation of Danish Employers
Confederation of Danish Industry
Danish Agriculture and Food Council
Danish AgriFish Agency
Danish Aquaculture
Danish Association of Architectural Firms
Danish Bankers Association
Danish Building Research Institute
Danish Business Authority (Controllers)
Danish Business Authority (RU)
Danish Centre for Rural Research
Danish Chamber of Commerce
Danish Construction Association
Danish Consumer Council
Danish Disability Council
Danish Environmental Protection Agency
Danish Federation of Small and Medium-Sized Enterprises
Danish Fishermen’s Association
Danish Fishermen's Occupational Health Services
Danish Forest Association
Danish Horticulture
Danish Insurance Association
Danish Maritime Authority
Danish Nature Agency
Danish Ornithological Society
Danish Outdoor Council
NNF Trade Union
Danish Ports
Danish Red Cross
Danish Regions
Danish Society for Nature Conservation
Danmarks Fiskehandlere (Danish Association of Fish Traders)
Danmarks Idrætsforbund (Danish Organisation of Sports)
Danmarks Pelagiske Producentorganisation (Danish Organisation of Pelagic Fish Producers)
Danmarks Sportsfiskerforbund (Danish Society of Anglers)
Dansk Amatørfiskerforening (Danish Society of Amateur Anglers)
Dansk Fritidsfiskerforbund (Danish Society of Leisure Anglers)
Danske Fiskeres Producenorganisation (Danish Fishermen’s Producer Organisation)
Danske Restauranter og Caféer (Association of Danish Restaurants and Cafés)
Department of Food and Resource Economics, University of Copenhagen
Disabled People’s Organisations Denmark
Economic Council of the Labour Movement
European Commission
Fiskerifacilitator (Fishery Facilitator)
Freshwater Fishermen’s Association Denmark
Greenpeace
Innovative Fisheries Management (IFM), Aalborg University
Knowledge Centre for Agriculture
Konsumfiskeindustriens Arbejdsgiverforening (Employers Association for the Danish Retail Fish Industry)
Landdistrikternes Fællesråd (Joint Council of Rural Areas)
Landsforeningen for Bæredygtigt Landbrug (National Association of Sustainable Agriculture)
Landsforeningen Levende Hav (National Living Seas Association)
LO, the Danish Confederation of Trade Unions
Local Action Groups, representative for fishery areas
Local Action Groups, representative for rural areas
Local Government Denmark
Local Government Denmark, joint representative
Madkulturen (Food Culture)
Marine Ingredients Denmark
Ministry of Business and Growth
Ministry of Climate, Energy and Building
Ministry of Culture
Ministry of Employment
Ministry of Finance
Ministry of Food, Agriculture and Fisheries
Ministry of Foreign Affairs
Ministry of Gender Equality and Ecclesiastical Affairs
Ministry of Housing, Urban and Rural Affairs
Ministry of Science, Technology, Innovation and Higher Education
Ministry of Social and Integration Affairs
Ministry of the Environment
National Institute of Aquatic Resources and the National Food Institute, both of the Technical University of Denmark
National Labour Market Authority
North Denmark Growth Forum
North Denmark Region
Økologisk Landsforening (National Association of Organic Farming)
Rådet for Socialt Udsatte (Council for the Socially Disadvantaged)
Realkreditforeningen (Association of Danish Mortgage Institutions)
Region of Southern Denmark
Region Zealand
Representative for Danish Regions
Skagenfiskernes Producenorganisation (Organisation of Skagen Fishermen)
Southern Denmark Growth Forum
TEKNIQ
The Danish Bar and Law Society
Visit Denmark
World Nature Foundation (WWF)
Zealand Growth Forum
Annex 4: List of invitees to a workshop about the Partnership Agreement on 2 December 2013

Agency of Science, Technology and Innovation
NNF Trade Union
Association for the Hotel, Restaurant and Tourism Industry in Denmark
Association New Dane
Association of Danish Mortgage Banks
Association of Small Danish Islands
BAT-Kartellet (Danish Workers Employed in Construction and Woodworking Sectors)
Bornholm Growth Forum
Capital Region Growth Forum
Capital Region of Denmark
Central Denmark Growth Forum
Central Denmark Region
CO-industri (Central Organisation of Industrial Employees)
Confederation of Danish Employers
Confederation of Danish Industry
Danish Agriculture and Food Council
Danish AgriFish Agency
Danish Association of Architectural Firms
Danish Bankers Association
Danish Business Authority
Danish Chamber of Commerce
Danish Construction Association
Danish Disability Council
Danish Federation of Small and Medium-Sized Enterprises
Danish Institute of Human Rights
Danish Insurance Association
Danish Nature Agency
Danish Red Cross
Danish Regions
Danmarks Idrætsforbund (Danish Organisation of Sports)
Danske Restauranter og Caféer (Association of Danish Restaurants and Cafés)
Disabled People’s Organisations Denmark
Economic Council of the Labour Movement
European Commission
LO, the Danish Confederation of Trade Unions
Local Government Denmark
Ministry for Social Affairs and the Interior
Ministry of Business and Growth
Ministry of Climate, Energy and Buildings
Ministry of Culture
Ministry of Employment
Ministry of Finance
Ministry of Gender Equality and Ecclesiastical Affairs
Ministry of Housing, Urban and Rural Affairs
Ministry of the Environment
National Labour Market Authority
North Denmark Growth Forum
North Denmark Region
Rådet for Socialt Udsatte (Council for the Socially Disadvantaged)
Region of Southern Denmark
Region Zealand
South Denmark Growth Forum
TEKNIQ (Technicians’ Organisation)
The Danish Bar and Law Society
Zealand Growth Forum