REGERINGEN

Foreign and Security Policy Strategy

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Preface

As the world grows smaller, Denmark is impacted positively and negatively by events unfolding beyond its borders. With this foreign and security policy strategy – following up on the May 2016 review of Danish foreign and security policy – the government presents answers to the most important external challenges facing Denmark today.

The government wants Denmark to maintain a strong international engagement. We must influence international cooperation for a secure, peaceful and prosperous world. We must insist on international cooperation based on rules and norms that apply for all countries. We must fight for the values and freedoms on which our society is built. We want a world with more democracy and freedom, including more freedom of expression, freedom of assembly, freedom of religion and more public order. We must also give Danish companies good opportunities to succeed in the international markets and stay at the forefront of the technological development.

Prioritisation and coordination are keywords when it comes to promotion of Denmark's foreign and security policy interests. In light of this, the government points to five themes deserving particular focus in Denmark's foreign and security policy in the coming year: Migration, instability and terrorism; Security in the neighbourhood region; Brexit and the future of the EU; Globalisation – economic and technological diplomacy; and The Arctic. These are not the only topics demanding our attention, however. The complete list is longer, and the spectrum of Denmark's efforts is broader.

Based on these five prioritised focus areas, we wish to extend our hand and strengthen Denmark in cooperation with civil society organisations, the business community, universities and think tanks.

Denmark is strongest when we stand together.

Introduction

The framework for promoting Denmark's foreign and security policy interests is challenged. The geopolitical tectonic plates on which Danish foreign policy has rested for many years are now in motion. Major changes in the world are impacting the global system and creating new frameworks – not only for Denmark, but also for the largest and most influential powers. The unpredictability of international politics has not been greater for a long time.

The Western model of society – democracy, an open, liberal market-based economy, and binding, rules-based international cooperation – is being challenged by increasingly authoritarian trends, which also appear to be gaining ground in Europe.

The saying that democracy and rights are not inherent rules of nature – but rather a battle that each generation must win anew – appears to be more relevant now than it has been in a long while.

The government believes that it is in our interest as a small country to have strong multilateral organisations whose joint decisions are also considered legitimate and binding by the strongest countries. Organisations that are crucial to Denmark's foreign and security policy – the EU, NATO, the UN and the WTO – are all under pressure. This complicates efforts to build international consensus and tackle global challenges together. Thus, it is all the more important to work hard to maintain and strengthen the international cooperation and the organisations comprising the framework for this cooperation.

The EU membership represents Denmark's best opportunity to influence the world around us and therefore the framework conditions of importance to Danish citizens and businesses. Our prosperity and our jobs are closely linked to the European Single Market – and our ability to solve international and common problems requires close European cooperation. The cohesion of the EU has been challenged in recent years. The EU cooperation has faced difficulties in delivering quick solutions to the issues of importance to European citizens. For example on issues such as the handling of migration and low economic growth – and Brexit, which came as a surprise and has shaken the very foundation of the EU.

At the same time, we see indications that these major challenges are leading a majority of EU Member States to move closer together. In the coming years we will most likely see new initiatives for stronger cooperation in areas of importance to the citizens of the EU. This includes growth and employment, climate and energy, borders and asylum policy, and security and defence. A multi-speed EU has thus become a more likely scenario. Denmark can therefore anticipate challenges arising from our opt-outs in several specific areas where cooperation will grow stronger.

In all significant foreign and security policy contexts, Denmark and the USA have a long tradition of being close allies. It is still too early to assess how US foreign policy will evolve in the coming years. For Denmark, it will be of great importance

that the US maintains a strong international commitment, not least in terms of security policy, free trade and multilateral cooperation in general. In light of this, the announcement that the US will withdraw from the Paris Climate Agreement is highly regrettable. We are prepared to fight to safeguard and promote international cooperation in order to ensure the best future conditions for coming generations.

The global balance of power in security policy and economically is shifting these years, in part as a result of strong growth in some of the world's most populous nations. In the coming decades, the US and China in particular will have to adjust to a situation where they, increasingly, are actors of equal importance in the international system, which may lead to tense situations.

The government looks with great concern upon Russia's threatening statements, military build-up and increased military exercises in the vicinity of Denmark. This is a clear challenge for Denmark and for our allies, despite the assessment that Russia is not willing to risk direct military confrontation with NATO. The illegal annexation of Crimea and destabilisation of eastern Ukraine has exposed Russia's willingness and ability to use military means to achieve strategic goals, while violating fundamental international rules and norms. Overall, this contributes to increased uncertainty, including in the Baltic Sea region – an uncertainty exacerbated by hostile information influencing and the threat of hybrid warfare. Russia is also leading the charge in a number of international contexts against what is considered Western values and freedoms.

The government believes that the shifting security landscape increases the need to strengthen NATO's role as a credible deterrent and territorial protector of the alliance, as well as the need to maintain Denmark's prioritisation of military contributions to international operations, including those outside of NATO's territory, such as the battle against Da'esh and UN peacekeeping missions. Furthermore, national activities and increased capacity to enforce the Kingdom of Denmark's sovereignty in the Arctic are also crucial.

The changing security policy dynamics also have a defining impact on the general framework for the Danish Defence in the years to come. This will be evident in the forthcoming defence agreement, where the government will allocate more funds to provide a substantial improvement of the Danish Defence. The ability of the Danish Defence to perform tasks relating to collective deterrence and the defence of NATO must be strengthened. The Danish Defence must also maintain the capacity to participate in international operations, including efforts to fight terrorism, manage refugee flows and help strengthen national security.

The threat deriving from non-state actors in the form of terrorism, violent extremism and organised crime means that we must anticipate a need to deal with more unannounced and unexpected incidents. The terror threat against Denmark and other western countries is continuously evolving, while instability in parts of the Middle East, Africa and Asia is lending support to terrorist groups such as Da'esh and al-Qaida. Despite the progress in the military campaign against Da'esh in Iraq and Syria, the terror threat will remain present, and there is a need for continued military and civilian efforts.

Conflict and instability in Europe's southern and south-eastern neighbourhoods, as well as in parts of Africa, are forcing millions of people to seek refuge. Meanwhile, a lack of prospects for the future is contributing to irregular migration towards Europe. Migration is not a new phenomenon. However, demographic developments in Africa in combination with global climate change create a situation where Europe will face a massive challenge unless new opportunities are created for millions of young people in Africa. In this sense, globalisation has reduced the distance between continents and turned distant lands into neighbouring areas. The government finds it crucial to reduce the pressures of migration towards Europe and Denmark. This can only be achieved through multifaceted efforts, including strengthened efforts in neighbouring areas to conflict and crisis, and better securing of Europe's borders.

We are taking care of Denmark when we take care of the world. Hence, Denmark's development cooperation is an important foreign policy instrument. Denmark is one of just five or six countries in the world that meet the UN's goal of 0.7% of GNI in annual development assistance. We can rightly be proud of this fact. But we must also encourage other prosperous nations to deliver their share. The UN's 17 Sustainable Development Goals represent an ambitious political framework for sustainable development and global cooperation from now until 2030. Denmark is among the countries best equipped to support global efforts to reach these goals, which provide the basis for a strong international engagement in terms of foreign policy and development cooperation. The government will take its share of the international responsibility to promote sustainable development, peace and security, human rights, and gender equality, and for combating poverty globally in accordance with Denmark's strategy for development cooperation and humanitarian action. The Sustainable Development Goals also present an opportunity for Danish companies, as the goals are strongly aligned with traditional strengths and strongholds of Danish business, such as energy and climate.

In a time of great uncertainty in international relations, the government finds it essential to seize the positive global trends and rapid technological development that are creating new opportunities for citizens and companies. We have an open economy, a well-trained workforce, a flexible labour market, an efficient public sector and a highly developed digital infrastructure. It will take constant innovation to ensure that Denmark seizes these opportunities to its benefit. Therefore, we are reaching out to new players, including in the field of technology. Technological development and free trade have been the key factors driving improvements in living conditions over the last many years in both developed and developing countries. Free trade makes us richer and helps to fund our welfare. We must not lose sight of this fact. We must also be aware of the scepticism towards globalisation that exists in many parts of the western world. We therefore need a public discussion about how the fruits of globalisation benefit everyone. In this context, Denmark's experiences can serve as a proactive and positive contribution to this discussion.

The Kingdom of Denmark has a fundamental interest in a peaceful and stable Arctic, which enables economically and environmentally sustainable development in the region, in close collaboration with Greenland and the Faroe Islands. The government wants the Arctic to remain an area of low tension. Russia has so far acted constructively in this respect, and there has been a pragmatic international cooperation, including under the auspices of the Arctic Council.

In the light of global developments, the government has chosen to prioritise the following areas in 2017-2018:

- **Migration, instability and terrorism**
- **Security in the neighbourhood region**
- **Brexit and the future of the EU**
- **Globalisation – economic and technological diplomacy**
- **The Arctic**

Migration, instability and terrorism

The government will work to limit the number of irregular migrants and refugees, as well as to reduce the terror threat against Europe and Denmark. This requires stronger efforts in neighbouring areas to conflict and crisis, growth and development in the Middle East and Africa, and more effective securing of Europe's borders.

Addressing and handling the issues relating to migration is an important priority of the Danish government. Greater focus on return and readmission of rejected asylum seekers is needed. A combination of domestic initiatives and efforts through the EU has succeeded so far in bringing the large influx of asylum seekers and irregular migrants to Denmark under control. But the EU's external borders remain under great pressure, which we need to address e.g. by focusing on the underlying root-causes.

With more than 65 million displaced persons, the world is in the midst of a humanitarian crisis unprecedented in scope. Despite the continued influx of displaced persons to Europe, 8 out of 10 of the world's refugees reside in their local region, primarily in Africa and the Middle East. This places a significant strain on fragile and poor societies, and can lead to new refugee flows – including towards Europe. Therefore, we must create better living conditions and prospects for the future in refugees' own local regions.

There are no signs of a diminishing migration pressure on the horizon. In the coming decades, Africa will see a doubling of its population, from 1.2 billion today to 2.5 billion in 2050. This population growth will place great demands on job creation and economic growth, particularly in Africa and the Middle East. We already have the largest generation of youth in world history, three quarters of whom reside in developing countries. This presents great opportunities – if the demographic potential can be converted into innovation, growth and development. The bleak alternative, however, is instability, conflict and future migratory flows of unprecedented dimensions.

The government believes that Denmark has significant interests in effective European and international cooperation on migration, and in contributing to stability and sustainable development in the Middle East and Africa. We must prevent new refugee and migrant flows by creating peace, security and improved prospects for the future for people in their home regions. We must fight the factors that feed extremism, terrorism and organised crime. To achieve these aims, the government will employ all relevant foreign policy tools at its disposal: civilian and military, trade, European policies and migration policies. These efforts will be built on extensive cooperation between all relevant authorities and broad involvement of all societal actors.

We must reduce the pressure on Europe's borders. The EU cooperation has a very important role to play in this respect. The closure of the Western Balkan route, the EU/Turkey agreement and the establishment of the European Border and Coast Guard Agency have all contributed to slowing the influx. The government will push for progress in

the EU's efforts to establish migration partnerships with selected countries in the neighbouring regions. The partnerships will aim to counter irregular migration and promote the return and readmission of rejected asylum seekers and irregular migrations without legal stay in the EU, based on a quid pro quo principle.

The government will also work to ensure that the goals and principles of these partnerships are integrated into other relevant external instruments and policies in the EU, including development and trade tools, as well as visa policy. A key component of these efforts will be the concrete implementation of the EU's new development cooperation strategy, "The European Consensus on Development". The EU and its Member States are collectively the world's largest provider of official development assistance. We must put this strength to use. In cooperation with like-minded European partners, the government will work for a new and better asylum system that dismantles the business model of human smugglers and eases the pressures on Europe's external borders. Ideally, refugee reception would take place in camps located in the vicinity of conflict and crisis regions.

We must also use development cooperation as leverage to promote the return and readmission of rejected asylum seekers. The government will reward countries that fulfil their obligation to readmit their own citizens. Meanwhile, we will increase the pressure on countries that do not fulfil their obligations. This is quid pro quo. The cooperation on return and readmission must also play a greater role in the EU's development cooperation, keeping in line with the new European Consensus on Development, which more directly links migration and development.

There is also a need to support countries in their efforts to build the capacity to deal with migration challenges – and to assume greater responsibility for ensuring that irregular migrants and refugees do not embark on a long and dangerous journey towards Europe. Therefore, the government will allocate 75 million DKK of development assistance funds to such initiatives. These initiatives can be implemented flexibly as an integrated part of the dialogue with countries of origin on return and readmission of rejected asylum seekers, and in connection with efforts to promote voluntary return. In the dialogue with countries of origin on forced return and readmission, the approach will be based on a "more for more" principle. Through initiatives in selected countries, Denmark will support the willingness and ability of these countries to accept the return of their own citizens, e.g. through reception and reintegration programmes, education projects and building the capacity of migration authorities.

Development cooperation must not least contribute to addressing the root causes of migration. The long-term solutions are to promote sustainable growth, development and innovation, peace and stability, human rights and democratic practices. The government, with broad support in the Danish Parliament, recently adopted a new strategy for development cooperation and humanitarian action as the overarching framework for Denmark's development cooperation over the next five years. For the first time, migration constitutes one of the strategic aims of Denmark's development policy. Another important area is addressing rapid population growth that is contributing to ever-increasing migratory pressures. Growth and development in and of themselves contribute to lower birth rates. We must also promote women's right to decide by themselves the number of children they want and with whom, as well as girls' access to and opportunities for completing education. Through its own initiatives and through the EU and UN, the government will strengthen efforts to promote gender equality and the rights of women and girls.

The readjusted asylum estimate for 2017, from 10,000 to 5,000, combined with changes in the composition of these asylum seekers, has freed up funds previously earmarked for in-donor refugee costs in Denmark. The government will channel these funds towards a stronger effort to counter secondary refugee and migratory flows by addressing the root causes and consequences of migration, long-term crises, drought and population growth. These funds can be more effectively utilised in conflict and crisis regions than in Denmark. Efforts in these conflict and crisis regions can create new opportunities and hope for refugees and migrants, thereby reducing the flows towards Europe and Denmark.

At the global level, the government will support initiatives by the UN, the World Bank and other organisations to promote global solutions to the migration challenge, with the aim of achieving a better global distribution of responsibility and more effective cooperation to address the causes of irregular migration and to deal with international migration. A key element of these activities will relate to the return and readmission of countries' own citizens without legal residence.

The crises in the Middle East and North Africa have also created a breeding ground for extremism and organised crime in these regions. The greatest terrorist threat against Europe and Denmark currently stems from militant Islamism, with its centre of gravity in Syria and Iraq, combined with significant presence in fragile and conflict-ridden states – from Afghanistan and Pakistan, to the Middle East, the Horn of Africa, North Africa, the

Sahel and Southeast Asia. Da'esh will continue to be a source of terrorism with direct impacts on Europe and Denmark. We are contributing to the military campaign against Da'esh with training units, radar capacity and special operations forces. We are also continuing Denmark's contributions to NATO's military efforts in Afghanistan. These efforts contribute to the important task of putting military pressure on the terrorist movements in these countries. Denmark is among the countries who have taken the lead in the fight against Da'esh. And we will continue to be so.

A comprehensive approach to stabilisation efforts are essential in addressing the issues of migration, instability and terrorism. Denmark has a range of instruments at its disposal. With the Peace and Stabilisation Fund, we focus on key conflicts and security challenges that directly or indirectly impact stability, irregular migration flows, violent extremism and the maritime security of Denmark and Europe. Financed through the Ministry of Foreign Affairs of Denmark and the Ministry of Defence, the fund comprises both development aid and non-development aid activities, while drawing on expertise from a range of authorities to deliver primarily regional efforts. Through the Peace and Stability Fund, the government will continue to respond to sudden crises and the need for peace and stabilisation efforts in regions such as the Middle East. Through the Danish Arab Partnership Programme 2017-21, the government will focus on the root causes of radicalisation and migration, including women's rights, by supporting reform-oriented forces in selected Middle Eastern and North African countries who are working for stability, democracy and economic growth.

The government will also continue to fight terrorism with civilian means, including efforts to build the capacity of local authorities to prevent radicalisation and stop funding to terrorist groups. Compliance with international human rights and the rule of law are also essential building blocks in the efforts against terrorism and violent extremism. Combatting the terror threat in the Middle East and elsewhere also strengthens the security of Europe and Denmark.

Denmark has a clear interest in a strong international legal system, including respect for human rights. Meanwhile, there is a need to critically examine how the dynamic interpretation by the European Court of Human Rights has expanded the scope of some parts of the European Convention on Human Rights. This will be an important area of focus when Denmark assumes the chairmanship of the Council of Europe this autumn.

Initiatives

In 2017-2018, the Danish government will take the following initiatives:

- The government will continue its contributions to the fight against terrorist organisations through coordinated military and civilian efforts.
- The government will allocate unused funds previously earmarked for refugee reception in Denmark to strengthen its efforts relating to long-term crises, drought, migration and population growth.
- With its 2018 Finance Act proposal, the government will earmark 75 million DKK in development aid for initiatives relating to dialogue with countries of origin on the readmission of rejected asylum seekers, and to strengthen efforts to promote voluntary return.
- The government will address the root causes of migration, including by supporting young people – particularly in Africa – and by promoting women's access to health services, economic opportunities and the right to decide over their own bodies.
- With a new Danish-Arab Partnership Programme, the government will promote better governance and economic opportunities in the Middle East and North Africa, thereby contributing to creating alternatives to radicalisation, violent extremism and migration.
- The government will strengthen the further development of the EU's work on migration partnerships based on a quid pro quo principle.
- The government will post regional migration and neighbourhood experts at embassies in the Middle East and Africa, who will be tasked with targeting and coordinating efforts to deal with long-term refugee crises and to quickly identify new migratory flows.
- The government will appoint an ambassador at large for Migration Issues and post attachés for Migration Issues at the embassies in Kabul and Nairobi.
- The government wishes to strengthen the contribution to the EU Border Assistance Mission in Libya (EUBAM), with a focus on capacity building of the police and judicial sectors, as well as border management and combating illegal migration.
- The government will appoint a special representative to Sahel/Maghreb. Based on the increasingly intertwined threat assessment in these two regions, the special representative will work to improve the coordination of efforts relating to migration, terrorism and other issues.
- The government will strengthen its EU mission in Brussels to promote Danish interests by e.g. keeping the external aspects of migration high on the EU agenda.
- Given that the dynamic interpretation by the European Court of Human Rights has expanded the scope of some parts of the European Convention on Human Rights, the government will host an international conference on the convention in connection with the forthcoming Danish Chairmanship of the Council of Europe.

Security in the neighbourhood region

The government will work to strengthen security in our neighbourhood region, both for Denmark and our allies. This will be achieved through security policy efforts in NATO, a principled stance on Russian aggression, as well as through dialogue – including efforts to ensure that the Arctic remains a low-tension area. The government will also strengthen Denmark's security in cyberspace.

The threat against Denmark and Europe is significantly different and more serious than at any other time following the fall of the Berlin Wall. Russia's illegal annexation of Crimea and destabilising behaviour in Ukraine, the Baltic Sea Region and the Caucasus illustrate the need for European and transatlantic solidarity and unity.

The NATO cooperation and transatlantic ties represent the primary guarantor of Denmark's and Europe's security. Therefore, it is a vital Danish interest to fully and completely support the solidarity of NATO. The demand for Europe and Canada to contribute more and meet the goal of moving towards defence spending of 2% of gross domestic product is not new. The imbalance and need for a more equitable distribution of the burden are also clear. Denmark makes significant contributions – not least when it comes to operations. This is reflected in decisions such as the military contributions to NATO's enhanced forward presence in our eastern neighbourhood. We are also one of the front nations in the coalition against Da'esh. We continue to participate in the efforts to stabilise Afghanistan. We have made a major contribution to the UN's peacekeeping mission in Mali. And we are contributing to the reassurance activities in the Baltic Sea Region. But we must allocate more funds to defence for purposes including the maintenance of a credible deterrent and defence in NATO – for the sake of the alliance and for the sake of Denmark.

The government is concerned by Russia's increasingly self-assertive behaviour in Europe. But Russia is also a neighbour with whom Denmark must maintain ties. Denmark and the EU seek dialogue with Russia. But we will stand firm on the current balance of our relations with Russia, which also enjoys broad support among our allies. In NATO, the government will work to ensure the clear signalling of alliance solidarity with our allies to the east, as part of the generally strengthened deterrence profile of the Alliance. Through the EU, we will continue to seek European unity and continuation of the robust line of sanctions and pressure on Russia to implement the Minsk

Agreement. At the same time, we will maintain a dialogue and promote common understanding with Russia on issues such as maintaining Arctic as a low-tension area. It is important to counteract Russian isolation.

Russian hostile information influencing directed toward decision makers and the public in western countries constitute an increasing challenge. The government will direct attention to these measures, which can potentially threaten open democracies and divide the international cooperation. This issue also illustrates how elements of domestic and foreign policy are inextricably linked and require close cooperation across various Danish authorities. Therefore, the government will coordinate the efforts of relevant authorities to strengthen Denmark's ability to resist and counter hostile information influencing.

Developments in the Baltic Sea Region and the Baltic countries are of critical importance to Denmark's security. Historically, Denmark has had close relations with the Baltic countries. The government wishes to continue and develop this cooperation. The NATO countries around the Baltic Sea, as well as Sweden and Finland, share a common interest in the security and stability of the Baltic Sea Region. In view of Denmark's geopolitical position and the changing conditions, the government wants to expand Denmark's active security policy role. This will be achieved through strengthened Nordic cooperation and cooperation with our other allies in the Baltic Sea Region, including the planned contribution to NATO's enhanced forward presence in the Baltic countries.

The eastern partnership – particularly the cooperation with Ukraine – is also a key component of Europe's and Denmark's foreign policy orientation. Through this partnership, we support reform processes and make our local region more resilient to crises and hostile influences. The government supports bilateral reform efforts in Ukraine through the Neighbourhood Programme, and has taken a leading role in the EU's anti-corruption programme in Ukraine, which has become an agenda-setting factor in EU-Ukraine cooperation. These ongoing efforts represent an integral part of our insistence on a rules-based international society that supports the inviolable sovereignty of Ukraine, and an acknowledgment that the most effective Ukrainian response to Russia's aggression is to build a stable and reformed society. Ukraine must prove by example that it is possible to undergo a successful transition from post-Soviet heritage to a societal model based on European values. We can help them succeed in this endeavour.

Denmark has a fundamental interest in an open, secure and global IT infrastructure, and thus in the cyber-related issues that increasingly demand both international and national solutions. This includes the building of cyber capacities and strengthening internet and information security, cyber-defence, fighting cybercrime and terrorists' abuse of the internet, and protecting human rights on the internet. It is vital in this respect that Danish authorities coordinate their efforts across organisations and bodies. We must pursue a comprehensive approach across domestic and foreign policy aspects. Therefore, the government will present a new national strategy for cyber and information security. Internationally, Denmark will promote cyber cooperation via the EU, UN and NATO. Given the increasing importance of this issue, the government will further strengthen these efforts. We must improve our ability to protect ourselves from those who would use the internet to steal information and compromise the interests of public authorities and private companies.

Initiatives

In 2017-2018, the Danish government will take the following initiatives:

- The government will ensure a substantial improvement by allocating more funding to the Danish Defence in the forthcoming defence agreement covering the period after 2017.
- The government will strengthen the embassy in Moscow to ensure stronger representation of Danish interests in dealings with Russia, particularly as regards security policy and the Arctic.
- The government will strengthen its efforts relating to foreign hostile information influencing designed to threaten Danish interests and democratic values; an inter-ministerial effort has been initiated in this area.
- The government will continue to assign high priority to security policy-related cooperation with the countries surrounding the Baltic Sea, including through the planned contribution to NATO's enhanced forward presence in the Baltic countries.
- The government will maintain a major bilateral engagement in the EU's eastern neighbourhood, including through the establishment of a new Danish five-year neighbourhood programme for Ukraine and Georgia.
- The government will present a new national strategy for cyber and information security to strengthen Denmark's digital security.

Brexit and the future of the EU

The government will work to ensure a strong basis for European cooperation, which is the best way to influence the world around us and ensure the prosperity of Danish citizens. The government will work to safeguard European cooperation by reforming it from within and by ensuring a strong, lean and efficient EU. The government will work to ensure the best possible agreement for Denmark in the Brexit negotiations.

Denmark is closely linked – historically, politically and economically – with the EU. EU membership represents Denmark's best opportunity to influence the world around us and thus the framework conditions of importance for Danish citizens and businesses. Our prosperity and our jobs are closely linked with the European Single Market. Two-thirds of our exports go to our European neighbours. Our ability to solve cross-border and common problems requires close European cooperation. Therefore, it is very encouraging that Danes strongly support the membership of the EU.

However, the EU is challenged by competition from strong emerging economies in other parts of the world and shifts in the global balance of power. Europe has been hit by many crises and challenges in recent years, including a serious financial and debt crisis, combined with a major wave of migration and increasing threats to our security – from terrorism in Europe, and from instability and aggression in our local and neighbouring regions.

The EU cooperation has had difficulty in delivering quick solutions. It took some time to get both the financial crisis and the migration crisis under control, and the problems have not yet been fully resolved. Many countries continue to struggle with low growth and high unemployment. These factors have generated scepticism, thereby challenging the unity of the EU.

This dissatisfaction is understandable. But there are no easy or quick solutions to Europe's challenges. The EU Member States are independent nations who cooperate closely. Joint decisions often take shape as compromises reached with respect for different national interests and traditions, and the decisions therefore take time. It will require dedicated, ongoing efforts to create growth and jobs, curb illegal migration and strengthen Europe's internal and external security.

The government wants the EU cooperation to dedicate even more of its resources to finding concrete solutions to these major cross-border challenges – and fewer resources to regulate in areas where the Member States themselves can better achieve the same objectives. The government will work for a strong, lean and efficient EU that respects the principle of subsidiarity and focuses on the challenges which Member States can best address collectively.

The single market with free movement of goods, services, capital and labour is a fundamental prerequisite for growth and prosperity in Denmark and throughout the EU. Therefore, Denmark will continue its efforts in support of a well-functioning single market, which must be

further developed in the digital area and energy, among others. The government will also prioritise ambitious research and innovation cooperation to support competitiveness and the creation of new jobs. The creation of jobs is an essential social policy tool for getting more people to be an active part of the community. Improving the framework for job creation will thereby also strengthen the social dimension of the EU cooperation. The government wants a socially responsible Europe that pursues inclusive growth while learning from each other's experiences. Denmark has much to offer in this respect.

The United Kingdom has chosen to leave the European Union. Denmark is thereby losing an important partner in the EU. We will have to dedicate extensive resources and efforts to untangling the UK from the EU in the coming years. This will largely be a matter of limiting the damage for both the EU and the UK.

Denmark has extensive interests at stake in the forthcoming negotiations. It may prove expensive for Danish taxpayers if the financial balance between the UK and the EU is not settled in a fair manner. And it may have significant negative consequences for trade between Denmark and the UK if the process fails to result in a balanced agreement on the future trade relations between the EU and the UK. The government finds it of great importance that an agreement with the UK settles the estate fairly, ensures a continued well-functioning single market and establishes a future relationship between the EU and the UK based on a balance between rights and duties. In the negotiations, the government will work hard to represent the interests of Danish citizens and companies, and to ensure the continued unity of the EU.

When the UK leaves the EU, the political balance will shift in some areas. Likely areas to be impacted include trade, the EU budget, structural reforms, state aid and competition policy, climate and energy, and relations between Member States in and outside of the Euro cooperation. In all of the above areas, Denmark has a clear interest in ensuring that the EU cooperation maintains a liberal and economically responsible direction, with a strong focus on measures to promote the EU's competitiveness and global role. Without the UK, it will take even greater efforts to influence the EU cooperation in the direction of Danish interests. Therefore, the government will strengthen the cooperation with Denmark's traditional partners in the EU as well as actively seek new alliances.

One of the first and most concrete examples of the challenges arising from Brexit in the future EU cooperation is the coming round of negotiations on the EU's next multiannual financial framework, where it will be necessary to reduce EU expenses to reflect the new economic situation in EU27. Within this adjusted framework, the government will also promote modernisation of the EU budget so that areas generating the greatest added value for the EU are prioritised.

Developments are already underway in terms of security and defence policy, where a group of countries are joining together to strengthen cooperation relating to military capacities. The consequences of the defence opt-out for Denmark will become even clearer, reflecting the fact that developments in this area are very different from those in 1992 when Denmark chose to opt out.

The overall challenge in relation to the future of the EU will be ensuring that Denmark is not decoupled from the cooperation and decisions of great importance to Danish citizens and companies. For a small country with an open economy like Denmark, the EU will remain an important part of the answer to the challenges associated with globalisation.

To effectively advance Danish interests in the EU, it is also important to ensure that Danes and Danish perspectives are present in the EU's institutions. Within a few years, Denmark is expected to become underrepresented in EU institutions, as many of the Danes hired by EU institutions when Denmark became a member in 1973 are now approaching retirement. New appointments of Danes in the EU institutions in recent years have been insufficient to offset the pending departure of Danish retirees. Having fewer Danes in the EU's institutions weakens Denmark's access to insight and influence in the EU. The government will therefore strengthen its efforts to increase the number of Danes employed in EU institutions.

Initiatives

In 2017-2018, the Danish government will take the following initiatives:

- The government will continue to highly prioritise efforts to ensure a lean and efficient EU, with a focus on concrete solutions to cross-border challenges, particularly migration, security and growth.

- The government will strengthen efforts to secure Denmark's combined interests in the forthcoming negotiations with the United Kingdom. This includes an expansion of Denmark's permanent representation to the EU and ensuring that the Ministry of Foreign Affairs of Denmark has the necessary resources to perform the secretariat function for the Brexit Task Force.

- The government will strengthen the embassies in key European decision-making centres (Berlin, Paris and London) in order to promote Danish interests in the Brexit negotiations, both in regards to specific sectors and the new situation arising in the wake of Brexit.

- In the light of Brexit, the government will actively expand its cooperation with traditional partners and seek new alliance partners that share interests and values with Denmark.

- The government will intensify cooperation with other budget restrictive EU Member States, thereby ensuring that the EU's financial framework and annual budgets reflect the new economic situation in an EU of 27 Member States.

- The government will present an action plan during the second half of 2017 with concrete initiatives to increase the number of Danes employed in EU institutions.

Globalisation – economic and technological diplomacy

The government will work to ensure that as many Danes as possible enjoy the maximum benefits of globalisation and the technological development. This will be pursued through international engagement, trade and cooperation. The specific tools are free trade, strengthened international presence, economic diplomacy, strategic partnerships, and last but not least, a targeted effort to position Denmark proactively in the technological and digital development.

In recent decades, globalisation has increased the prosperity and improved the living conditions of people around the world – including in Denmark. But at the global level, not everyone has reaped the benefits of these developments. Meanwhile, technological development, digitisation and exponential growth in data and computing power – the so-called fourth industrial revolution – is extensively impacting our economy, labour market and society. The government wants to maximise the benefits of globalisation and the technological development for as many people as possible – in Denmark and around the world. This is one of the many reasons that the new UN Sustainable Development Goals are so important. Most Danes have a positive view of both globalisation and new technologies. This is a good starting point. The government's ambition is also clear: We must reap the full benefits of globalisation's many possibilities. We must make full use of Denmark's positions of strength. Our societal model and companies possess many of the solutions sought by others: We have energy-efficient and green solutions. We have strong export industries in a range of sectors, including food and agriculture, cleantech, life sciences and shipping. And we have one of the most adaptable societies in Europe when it comes to advances in digital technology. In terms of foreign policy this represents Danish "soft power". We have the capacity to influence more than our size in itself would justify.

The international free trade agenda is of crucial interest to a small, open and export-oriented economy such as the Danish. The government will actively support EU free trade agreements with third countries. The ratification of the EU's free trade agreement with Canada (CETA) plays an important role, as it can provide renewed momentum for other free trade agreements with trade partners in Asia and the Americas. The government has a special focus on completing an agreement with Japan and resuming negotiations with the United States when the basis for an ambitious and balanced agreement exists. Free trade creates growth and jobs in Denmark. But free trade also contributes to improving global standards in consumer protection, the environment and labour rights.

Danish exports and foreign investments provide the foundation for growth and employment in Denmark. Therefore, Denmark must maintain a strong international presence, pursuing bilateral export and investment promotion activities in support of Danish companies. The government

will strengthen Denmark's presence in the United States at the state level, with a focus on California and Texas, which alone constitute two of the world's largest economies, and both of which show significant interest in a range of Danish solutions, including green technologies. The United States is Denmark's second largest export market and continues to grow in importance for our economy. Preliminary 2016 figures indicate that the US is also the second largest investor in Denmark. The government will also open a Danish embassy in Africa's largest country and fourth largest economy, Algeria. The potential of a strengthened presence in North Africa is great. The opening of an embassy will significantly advance the conditions of Danish companies in the region, and Algeria is likewise a key regional player in the political and economic spheres.

The government will increase its overall focus on internationalisation of Danish businesses, in recognition of the importance for Danish companies of international value chains, the rapid technological developments, and increasing international competition. Economic diplomacy has demonstrated its strength in terms of opening doors to markets and concrete business opportunities for Danish companies. This has been achieved through strategic prioritisation of markets and strong partnerships between public and private players dedicated to influencing local framework conditions and attracting investment through targeted dialogue with foreign decision makers. Meanwhile, a number of public-private partnerships have effectively drawn international attention to Danish business competencies and solutions.

The opportunities for Danish companies in export markets are also supported by investments from the Investment Fund for Developing Countries and export guarantees from Denmark's Export Credit Agency. The government would like to see further expansion of the activities by Denmark's Export Credit Agency relating to high risk markets with great potential. In cooperation with the Investment Fund for Developing Countries and a number of institutional investors, the government will establish a Sustainable Development Goals Fund whose activities will include the use of innovative new financing models. The government thus wishes to use the UN's Sustainable Development Goals as a platform for integrating Danish export competencies with the global development agenda – for the benefit of both.

Great potential can be realised by a general strengthening of efforts to promote Danish commercial strengths and attracting the necessary knowledge, technology and investment. Therefore, the government intends to strengthen Denmark's economic diplomacy through initiatives targeting new emerging economies in i.e. Asia, Latin America and other regions. These economic diplomacy efforts will also target traditional export markets such as the EU's internal market, not least Germany, as well as the UK, US and Japan. The government will ensure that the travel activities of ministers also provide increasingly strong support of these efforts.

Denmark's engagement in emerging economies has been an important area of attention for several years. In particular, Denmark has a strong and broad-based engagement involving a range of authorities and a so-called "comprehensive strategic partnership" with China. The experiences from these efforts have been extremely positive. Denmark has also entered into high level strategic partnerships with Japan, South Korea and Mexico. The government sees promising potential in building and expanding upon the experiences gathered

while promoting Denmark's foreign and commercial interests through these agreements, which draw on a broad spectrum of Danish experiences and mutually supportive instruments.

Finally, Denmark has also positioned itself pro-actively with the launch of tech diplomacy (the "TechPlomacy" initiative) and the appointment of the world's first tech ambassador. Leading global technology companies and other digital actors are influencing every aspect of Danish society and its citizens' everyday lives, social as well as work wise – including our security – to a vast and growing extent that may even surpass the influence of many countries on Denmark. Therefore, the government has designated digitisation and technological development as a strategic priority in Danish foreign policy.

The new initiative builds on the successful efforts of Denmark's Innovation Centres in seven countries. The centres assist Danish companies and research institutions with access to foreign knowledge, networks, technology, capital and markets. One of the latest steps was launched with the new DenmarkBridge network under the auspices of the Danish Growth Fund, focusing on cooperation between companies in Denmark and Silicon Valley. Denmark has also had success in attracting investments from large tech companies that have decided to establish new facilities in Denmark. And Denmark has actively worked for several years to shape the global framework for the digital economy. Also at the domestic level, the subject is a strong focus area, with new initiatives such as the digital growth panel and the government's "Partnership for Denmark's Future".

With the TechPlomacy initiative, the government will elevate Denmark's broad-based international approach to the technology agenda to a coordinated foreign policy priority that extends beyond purely commercial considerations. Both tech actors and countries have welcomed the new initiative and point to the need for more international cooperation and norms relating to the development and application of new technologies.

Tech diplomacy and the Innovation Centres will serve as Denmark's international "eyes and ears" for the entire government, contributing to collection of knowledge and information, policy formulation and helping Danish society to adapt to the digital realities of the 21st century. The government also wants to ensure a stronger Danish voice that can contribute to promoting Danish interests in the international tech community and establish partnerships between Danish and international stakeholders. The tech diplomacy activities will entail foreign and security policy, development policy, export and investment promotion, and a range of sector policies. The opportunities and challenges of the technology agenda will also be pursued and addressed in bilateral relations with other countries and in relevant international fora. Moreover, Danish digital strengths will be promoted, as well as the positioning of Denmark as an attractive global hub of knowledge and business.

Initiatives

In 2017-2018, the Danish government will take the following initiatives:

- The government will strengthen Denmark's presence in the United States by opening two new Consulates General in Silicon Valley and Houston, respectively. The objective of these new missions is to strengthen political and commercial relations with the two most populous states in the US.
- The government will open an embassy in Algiers. The embassy will help Danish businesses seize the commercial opportunities in Algeria, while also playing an important role in relation to the focus on instability, migration and terrorism in the Middle East and North Africa.
- The government will work with institutional investors to establish a Sustainable Development Goals Fund, linking Danish business strengths with the UN Sustainable Development Goals.
- The government will launch a new strategic framework for economic diplomacy, further strengthening the efforts to internationalise Danish business. Areas of focus in this respect include access to new technologies and business models for Danish businesses, targeted efforts to increase global sales of small and medium-sized companies, and attraction of knowledge- and technology-intensive investments.
- The government will identify high-value commercial projects abroad of particular interest to Danish companies, and for which the active support of the government and Danish authorities is needed.
- The government will strengthen the coordination of ministers' international travel activities to further support the foreign policy and commercial interests of Denmark. Focus will be on countries and sectors which the government should pay particular attention to.
- The government will allocate resources to launch a new effort to strengthen existing – and build new – strategic partnerships with emerging economies where Denmark has clear political and economic interests at stake.
- The government will draw inspiration from the existing Partnering with Denmark Initiative and post sector specialists in high-income countries with significant export potential, thereby promoting Danish positions of strength in specific sectors.
- The government will build closer relations with the global tech community, in an effort spearheaded by the new tech ambassador. Technological diplomacy will be prioritised as a new key focus area in Denmark's foreign policy. The tech ambassador will be based in Silicon Valley, but will be tasked with promoting this agenda globally. The tech ambassador's work will be supported by staffs in Silicon Valley and Copenhagen, as well as close cooperation with Denmark's seven international innovation centres and a number of digitisation advisors in selected countries.

The Arctic

The government will work for a peaceful and stable Arctic. This will be promoted through dialogue with the other Arctic states, strengthening research opportunities and protecting the environment, which must go hand in hand with the development of economic opportunities for the peoples of the region.

The Kingdom of Denmark has a fundamental interest in a peaceful and stable Arctic, which enables sustainable development in the region. The melting of the sea ice opens new economic opportunities in the form of efficient sea transport, extraction of natural resources and increased tourism. The global climate challenges are also leading to increased international focus on climate research in the Arctic. The perspectives in the Arctic are just now beginning to come into view.

With opportunities follow new challenges. There is a need for increased monitoring – for purposes including stronger enforcement of sovereignty and better search and rescue services in the area. Thus, in continuation of the 2016 analysis of the Ministry of Defence's future tasks in the Arctic, the Danish Defence is in the process of strengthening its efforts in the Arctic. It is also important that developments in the region are based on effective protection of the fragile environment, sustainable regulation of fishing and a transition of commercial activities. The global threat picture also applies to the Arctic region. It is crucial to the government that solutions are found through a close and equal cooperation within the Kingdom of Denmark.

The government intends to launch a three-tiered effort for economic development. The first tier will involve strengthening multinational efforts, particularly under the auspices of the Arctic Council. Through close cooperation with Finland, which holds the council chairmanship for the period 2017-2019, we will put economic development high on the agenda of the Arctic Council and explore the opportunities for better coordination with the Arctic Economic Council. We will also work to ensure that economic development is a central element when defining the Arctic Council's strategic priorities for the next 10 years. Secondly, the government will take the initiative to explore the possibilities of establishing an Arctic financing facility. Additionally, the government will work for a more proactive utilisation of existing international financing tools in the Arctic. Thirdly, the Ministry of Foreign Affairs will, in close cooperation with the authorities in Greenland and the Faroe Islands, focus on market opportunities for Greenlandic and Faroese businesses and opportunities for export promotion campaigns in the most interesting markets. At the same time, we will support efforts to promote Greenland and the Faroe Islands as attractive tourist destinations.

In addition to economic diplomacy, the government will work to give the Kingdom of Denmark a stronger profile and better opportunities for international cooperation in the Arctic research community, based on the Arctic research agreement adopted by the eight Arctic States in May 2017. Furthermore, the Danish Ministry of Higher Education and Science and Greenlandic authorities

will jointly explore the possibilities for establishing an international "research hub" in Greenland, which can benefit Arctic research and education, and potentially have positive effects on the local economy and employment. Research is also part of broader political dialogue with the EU and Arctic Council observer states. The government will work to ensure that the Arctic agenda is better reflected in EU research.

By adopting the Ilulissat Declaration in 2008, the five Arctic Coastal States – the Kingdom of Denmark, the United States, Canada, Russia and Norway – have committed to peaceful cooperation and dialogue when it comes to future development in and around the Arctic Ocean, and to resolve disputes and overlapping territorial claims through negotiations and on the basis of the Law of the Sea and international law. In a situation with increased tensions between the West and Russia, strategic competition may arise in the region. The Kingdom of Denmark will continue to have a significant interest in avoiding a military build-up in the Arctic. A region characterised by low tension is a fundamental requirement for economic development, which is in the interests of all the Arctic States. This particularly applies to Russia, which likely has the biggest economic interests in the region. The government will therefore work to ensure that the 10-year anniversary of the Ilulissat Declaration in 2018 is utilised by the states to highlight and reaffirm these obligations.

The government will strengthen the Kingdom of Denmark's Arctic profile and capacity for exercising stronger and more consistent influence over developments in the Arctic. This will be pursued through a stronger dialogue among the relevant entities within the Kingdom of Denmark. The framework will be the Kingdom of Denmark's Arctic Strategy and the dialogue will be based on the Arctic Council's strategic work. The purpose will be to define and establish a comprehensive proposal as to which strategic priorities the Arctic Council should adopt. The results of this process are to be converted into significant influence for the Kingdom of Denmark.

Initiatives

In 2017-2018, the Danish government will take the following initiatives:

- The government will collaborate closely with Greenland, the Faroe Islands and international partners to ensure that the fundamental right of the Arctic region's four million inhabitants to sustainable economic development – in line with the UN's Sustainable Development Goals – remains high on the Arctic Council's agenda. In connection with these efforts, the government will also explore the possibilities for mobilising international financing and strengthening the cooperation with Greenland and the Faroe Islands to promote export and tourism opportunities.

- The government and Greenlandic authorities will jointly explore the possibilities for establishing an international research hub in Greenland.

- The government will – in close cooperation with Greenland and the Faroe Islands – address the security policy challenges associated with the extensive new opportunities for development in the Arctic region.

- The government will use the 10th anniversary of the Ilulissat Declaration to draw attention to the political obligations and expand the practical collaboration for shared interests, based on a desire to ensure that the Arctic remains a region characterized by low tension and constructive cooperation.

- The government will take the initiative to establish an annual Arctic Dialogue on the Kingdom of Denmark's strategic efforts in the Arctic, thereby strengthening cooperation between public authorities within the Kingdom of Denmark.

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