

## European Policy Agreement – 15 December 2023

Agreed between the Government (Socialdemokratiet, Venstre and Moderaterne), Socialistisk Folkeparti, Liberal Alliance, Det Konservative Folkeparti, Radikale Venstre and Alternativet

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### Introduction

1. The world has changed significantly since the European Policy Agreement of 2008. The EU faces greater geopolitical challenges and more serious security threats than ever before. This is in no small part due to Russia's war in Ukraine and its consequences. But we also see heightened strategic and technological competition, as well as a shifting demographic and economic balance that is relatively reducing the weight of Europe in the world. The EU faces a global climate crisis in a world heading for temperature increases far exceeding the 1.5-degree goal of the Paris Agreement, as well as a biodiversity crisis. Add to this considerable pressure from irregular migration. In a time of such challenges, the necessary response is a stronger EU.
2. The new geopolitical reality calls for a wholehearted Danish commitment to the EU – and for an EU that increasingly stands in its own right. This requires that we in the EU – and in Danish European policy – dare to think along new lines.
3. Since 2008, the EU has dealt with a number of crises, but it has grown with the task and delivered strong common solutions. We must build on this in the coming years, and actively contribute with a committed Danish voice. We agree that there is a need for a strong and resolute EU that focuses on the most pressing challenges and delivers solutions within the framework of the treaties and the EU Charter of Fundamental Rights. An EU that focuses on concrete results for the benefit of European citizens, wage earners and businesses, and which is a driving force for peace, security, economic stability and growth, as well as the green transition.
4. *Externally*, we must ensure that the EU is capable of managing new challenges and defending and promoting European interests globally and European values, including the rule of law. The EU must continue the support to Ukraine and other vulnerable states in Europe, enlargement, entering into partnerships, and cooperating with the rest of the world. The EU must use its global weight to lead the way with effective, visionary and sustainable regulation that sets global standards and advances efforts to achieve the UN's Sustainable Development Goals. Denmark will work for a robust and more strategic trade and industrial policy, an effective migration policy, an ambitious global climate, environment and biodiversity policy, and a stronger foreign, security and defence policy cooperation that enables the EU to take on greater responsibility in the world.
5. *Internally*, we must make the EU more robust and resilient. Globalisation is changing. Security policy considerations increasingly shape considerations regarding increased growth and prosperity, just as the EU's various policies

today are much more intertwined than in the past. Sector policy has become security policy and vice versa. This applies, among other things, to, climate and energy policy, the green transition, cyber and the digital transition, infrastructure, critical dependencies, free democratic debate, research and development, business policy, and sound public finances and responsible economic policy in the individual EU Member States. We must at the same time consider the demands that the EU's continued enlargement places on the cooperation.

6. We agree that the new geopolitical situation means that a stronger EU is needed more than ever. Therefore, renewed and broad support for Danish European policy is needed from the Danish Parliament. In this regard, we note the Danish Parliament's recently strengthened commitment in EU matters with the report of 29 September 2023 from the European Affairs Committee. We are continuously monitoring the consequences of the Danish opt-out in the area of Justice and Home affairs on Denmark's participation in the EU cooperation.
7. The Faroe Islands and Greenland have both for many years had direct bilateral cooperation with the EU. From the Danish perspective, it is important that we, in a close and equal cooperation with the Faroe Islands and Greenland, stand ready to support – where possible and desired by the Government of the Faroe Islands and Naalakkersuisut – the promotion of Faroese and Greenlandic interests, respectively, in the EU.
8. The EU is a collaboration where results are created at the crossroads of national interests, but also at the crossroads of different political positions across borders. Denmark's position in the EU is determined through a political process domestically. The parties behind this agreement often take different positions on specific issues, including in the European Parliament. This agreement does not change this fact, but it sets out a common European policy starting point and guiding principles.

#### A strengthened EU on the global stage

9. The EU cooperation is the most important platform for Danish foreign policy and is crucial for our prosperity, security and safety. With its resolute and unanimous response to the war in Ukraine, the EU has shown new weight as a geopolitical player. Through the EU, Denmark has been able to promote extensive political, military, financial and humanitarian support for Ukraine. The economic sanctions against Russia are unprecedented and constitute a clear example that a unified EU can and must use its economic strength to reach foreign policy goals. This is also evident in the EU's mobilisation of billions in military support to finance the EU Member States' arms deliveries to Ukraine via the European Peace Facility. The EU has risen to the occasion as an important figure in security policy.
10. We agree that it is in Denmark's interest that the EU continues to develop and strengthen its geopolitical role. Denmark must contribute to an even greater

degree to strengthening the EU's ability to defend European interests and values, and contribute to European and transatlantic security. Therefore, Denmark must also here strengthen efforts to shape the direction of the EU cooperation, including through early promotion of interests; and in the coming years, Denmark needs a stronger participation and representation in the EU's institutions, not least through the employment of more young Danes in the Commission.

11. We must improve our ability to bring all of the EU's strengths into play when representing the EU's interests externally. This includes efforts to translate the EU's economic weight into greater global influence, and using the EU's regulatory weight in support of making European standards global standards. In the increasing economic and technological competition between superpowers, the EU must be capable of coordinated and strategic handling of increasing external pressures and economic risks.
12. The EU must be a strong and attractive partner, including for our global partners. A partner who can offer equal cooperation on sustainable solutions that are adapted to local needs, e.g. in the areas of infrastructure, digitalisation, climate and energy, and social affairs. In this respect, we will contribute to strengthening the EU's Global Gateway initiative, including in Africa. Through this effort, we must promote the interests of Danish businesses and their access to global markets on reciprocal and fair terms. The ability to offer alternative solutions requires an understanding of the perspectives, needs and interests of others. Therefore, the EU's partnerships with countries as well as regional organisations must be equal. In particular, we must engage actively in strengthening the EU-Africa partnership, including through increased trade, more investments and strengthened institutions. The EU must continue to promote the values on which the EU cooperation is based. Meanwhile, we can best pursue our interests and values by basing our efforts on a realistic assessment of the world in which we operate.
13. There is a need for Europe to resolutely take greater responsibility for its own security. The EU must strengthen its security and defence policy cooperation. It is in Denmark's interest to contribute actively to this effort, and that we strengthen the EU's security and defence policy dimension – in close cooperation and complementarity with NATO, which is responsible for our collective deterrence and defence – and for the benefit of our common Euro-Atlantic security. With the abolition of the defence opt-out, Denmark is ready to take its share of the responsibility. A strengthened security and defence policy cooperation in the EU opens new opportunities that we must use and contribute to – while keeping Danish positions of strength and priorities in mind. This applies widely, from the EU's military efforts and the cooperation to prevent cyberattacks and hybrid threats, to maritime security, climate, and defence industrial cooperation. We agree that Denmark must contribute to and work for the advancement of these opportunities diplomatically and militarily, as well as through business and research policy, and in close coordination with our allies.

### Open strategic autonomy

14. We must adapt to a world characterised by increased global strategic competition and a higher conflict level. In some areas, the EU has become too dependent on the outside world and individual countries. More robust trade and industrial policies are needed. Therefore, we agree that we must reduce Denmark's and Europe's critical dependencies and minimise security risks and vulnerabilities. This applies in particular to energy, but also, for example, to critical raw materials, pharmaceuticals and technology. We agree to work in support of the EU continuing to develop its open strategic autonomy, including in close coordination with our allies and partners, where the diversification of value and supply chains is necessary for our common economic security. Increased strategic autonomy must go hand in hand with open global markets and maintaining an open economy in the EU. The EU must work to strengthen and expand the international rules-based cooperation, including in the WTO.
15. We will work for a more robust trade and industrial policy that creates growth and prosperity, while supporting European security of supply and ensuring the EU's role in the technologies of tomorrow – without the EU closing in on itself. The green transition, including circular economy, is also an important contribution to reduced dependency. We must step up our efforts in digitalisation, including artificial intelligence, and ensure a continued leading role for the EU in efforts for responsible and fair technological development for citizens and businesses, including globally.
16. Danish and European economic integration in the global economy is a prerequisite for Danish prosperity and welfare. Free trade benefits Denmark and is a way of creating prosperity and ensuring security of supply. We must reduce security risks, but not disconnect ourselves from the rest of the world. We must continue to defend open global markets, stable global supply chains for, among other things, critical raw materials, food, and pharmaceuticals, and the rules-based international trade system. We must promote diversification and strengthened resilience, and support strategic alliances through trade agreements and economic, technological and supply collaborations with global partners. At the same time, if needed, the EU must be ready to utilise its trade policy instruments to enforce its rights and promote its economic interests in accordance with WTO rules.
17. We agree to work to ensure that the EU negotiates and concludes a number of trade agreements of strategic importance with high and realistic sustainability ambitions, including with countries in Latin America and Asia. We are also ready to look into further strengthening of the EU's trade policy instruments and counter unwanted transfer of technology. At the European level, we must think more strategically in terms of export control, investment screening, critical infrastructure and international cooperation on research and innovation within strategic sectors.

### A close and responsible economic cooperation

18. The EU cooperation is essential for the Danish economy and for our prosperity. Therefore, we must ensure that there is a close and responsible economic cooperation in Europe. The considerable economic weight of the EU is an important strength in our pursuit and promotion of Danish and common European priorities and interests in tough competition with other geopolitical actors. This is a strength that we must defend and expand. This also requires a resolute EU that prioritises its resources to solve the common and most pressing challenges.
19. We agree to work for an economic cooperation in the EU that ensures sound public finances and lower public debt in the member states, so that there is the fiscal space for necessary investments in areas such as the green and digital transitions, as well as defence. The cooperation must also contribute to Member States implementing structural reforms that strengthen employment, productivity and the EU's competitiveness. This requires that we continue to pursue a sustainable fiscal policy and a robust economic policy that, among other things, ensures sufficient and qualified labour force for a sustainable Danish and European labour market, and which supports the ability of Member States to develop their welfare societies and promote the green transition.
20. We must support the EU's global weight and open strategic autonomy. Therefore, we must ensure good framework conditions that support private investments in, among other things, new technologies that contribute to meeting the EU's climate goals, for example.

### A strong, free and fair Single Market

21. Denmark must lead the way in the EU and show that it is possible to balance high climate ambitions, competitive business and social cohesion. A strong Single Market is the key to the EU's – and Denmark's – future growth, prosperity and competitiveness. An improvement of the EU's competitiveness requires at the same time better framework conditions for European companies. We agree that we must remove barriers to sustainable and strategically important private investments, and ensure faster approval processes, e.g. for offshore wind. We must reduce the extent of unnecessary burdens that diminish the ability of our companies to compete globally, and domestically we must avoid unintentional over-implementation that risks harming Danish companies in the international competition. We must also work to ensure uniform enforcement of EU legislation across Member States and thereby equal conditions for competition and equal and fair conditions for wage earners. We must ensure fair, cost-effective and well-founded regulation, including through thorough impact assessments and estimates of the costs and benefits of EU legislation at Member State level with respect for the principle of subsidiarity. Decisions must generally be made as close to citizens as possible. Regulation must not be an obstacle to the ability of European companies to compete globally, but rather should contribute to this ability. We must create sustainable workplaces for wage earners with decent working

conditions, including equal opportunity, which ensures that the free movement is also fair and with respect for national labour market and welfare models, including the Danish labour market model. This also applies to the future labour market, where we must invest in the workforce of the future. With this starting point, we must continue to support the labour mobility within the EU, including through a focus on mutual recognition of qualifications. At the same time, we must work in the EU to ensure that our Danish and European companies are subject to fair tax conditions that also promote fairer competition globally. Thus, we must work for the effective implementation of concluded tax agreements that Denmark has committed to, with a view to ensuring a common floor for the effective corporate taxation as well as increased and fair taxation of global tech giants, and we must work internationally to counter tax havens and money laundering.

22. Further development of the Single Market alone can no longer ensure European competitiveness. Those who innovate best win. Denmark must work to ensure that the EU is at the forefront of developing the technologies and solutions of tomorrow. The EU has the world's most ambitious climate goals and must be home to the workplaces of the future, as well as the best place in the world to run a green and innovative business. Strengthening European competitiveness is very much about ensuring that companies can get easier access to available financing, and easing burdens by simplifying administrative procedures and significantly reducing case processing times. We will also maintain a strong focus on ensuring that Danish projects obtain EU funding. At the same time, it is important that the allocation of state aid in industries exposed to competition is targeted to the fulfilment of the EU's climate goals and development of critical production industries and technologies that strengthen the EU's security of supply and competitiveness, and which will benefit future generations. We agree that, as the point of departure, state aid must be temporary and must be limited to cases where a concrete need can be demonstrated, and where existing regulation and support options are inadequate.

### Green transition

23. We agree that Denmark must remain a frontrunner in the green transition. Denmark must take the lead in the EU on climate, so that the EU can take the lead in the world. And Denmark must continue its strong climate diplomacy efforts both in the EU and globally.
24. We must maintain a strong and proactive Danish commitment for an ambitious and cost-effective climate, environment and energy policy in the EU that builds on expert knowledge. We must ensure an effective fulfilment of the EU's 2030 climate goal and fight for an ambitious EU 2040 climate goal in accordance with the Paris Agreement's 1.5-degree target, which sets the direction towards the transition to climate neutrality in the EU by 2050 at the latest. It is crucial to protect and restore our nature and live up to the Kunming-Montreal Agreement. Green transition and circular economy are essential for our ability to deal with the climate and nature crisis, and to ensure a robust

Europe. At the same time, high sustainability requirements and uniform enforcement must ensure market conditions where environmental and climate benefits go hand in hand with increased competitiveness and innovation. The representation of Danish interests in the EU must to a greater extent secure European energy supply and promote the green transition in the EU across all sectors. It must be ambitious, cost-efficient, competitive and ensure European energy independence. The EU's sector policies, e.g. transport, agriculture and cohesion, must be part of the green transition.

25. There is still a need to strengthen European security of supply. We must phase out the import of Russian energy as quickly as possible. This effort must take into account the green transition and the EU's climate goals. Therefore, the EU must not lock itself into fossil energy for the long term. We must diversify the EU's energy imports and accelerate the green transition through significantly more renewable energy – not least offshore wind – energy efficiency improvements, and an integrated energy market across national borders with developed, stable and secure infrastructure. We must also accelerate permit processes for the construction of renewable energy projects, and ensure that the EU itself can increasingly develop and manufacture the technology that shall carry the green transition.
26. Denmark must assume leadership and ensure that the EU continues to lead the way and raises the bar for global climate action in line with the Paris Agreement to put pressure on other major emitters in the COP negotiations. Denmark must continue its strong climate diplomacy efforts, including through its climate aid, and will, among other things, push to ensure that the EU, through partnerships with major emitter countries, contributes to a faster global phase-out of fossil fuels and more ambitious climate goals.

#### Digital transition and the role of tech giants in global society

27. Denmark must be a strong voice for a responsible, fair and secure digitalisation in the EU. We want a stronger and more coherent digital internal market based on European values. Digital innovation and the utilisation of new technology must contribute to the improvement of our welfare society, strengthen the competitiveness of companies globally, and protect our fundamental rights and security, including data and cyber security. At the same time, the development must be carried out with respect for local needs and in stages, in the areas where the value for citizens and companies is greatest.
28. We agree that, as a starting point, it is through the EU that we must jointly deal with the challenges and risks of digitalisation. At the same time, we must establish framework conditions in the EU that promote investment in the development and application of new technology, both in Danish companies and in the public sector.
29. Digitalisation is dominated by a handful of powerful global tech giants that, for better or worse, have a great influence on Danish society, the well-being of children and young people, and the democratic conversation. We agree that

Denmark must work for EU measures that address the challenges relating to the tech giants.

30. Artificial intelligence will have a great impact on our society and will be essential for solving many of the challenges we face. This applies, among other things, to the green transition, labour shortages, as well as health and welfare in an aging population. The technology also brings new risks and challenges. We agree that Denmark must play an active role in the formation of relevant EU legislation, where we utilise the potential and manage the risks of artificial intelligence.
31. The digital transition not only sets the direction for societal development in Denmark and Europe, but for the development of the global balance of power. We agree that the EU must continue to take a leading role in global efforts to ensure a responsible, proportionally regulated and fair technological development with respect for fundamental rights and democracy. We will do this by strengthening the EU's digital foreign policy, both in multilateral forums and through equitable partnerships. The EU must create a good framework for innovation and contribute to responsible global technological development through the promotion of investments, cooperation with the European tech industry, and increased research effort into new and critical technologies.

#### Enlargement and the EU's values

32. In the new geopolitical reality, it is in the interest of Denmark and Europe to draw European neighbouring countries closer to the European Union. Therefore, it is important that Ukraine and other Eastern partners as well as in the Western Balkans are offered a clear and credible perspective on EU-membership. If the EU does not step up, it will create a power vacuum for others to fill. It will be a central task for the next many years to strengthen the relationship with the EU's vulnerable neighbouring countries and to support their ambitions for EU membership.
33. The enlargement policy is an important geopolitical tool. But it is also an existential issue for the EU cooperation. If new Member States and the EU are not properly prepared, it risks undermining the EU's cohesion and decision-making power. New Member States must meet the EU's enlargement criteria as set out in the Copenhagen criteria. This in order to ensure that the EU becomes as strong and cohesive as possible. The EU must not lower the bar for the countries that desire membership, but the Commission and the Member States must help them clear the bar faster. We agree that we must make an active effort to help the countries become ready for membership – much like Denmark did with great success with the dedicated assistance to Eastern Europe (Øststøtte) given especially to the Baltic States and Poland in the 1990s.
34. At the same time, we agree that also current Member States must respect the EU's fundamental values, including democracy and the rule of law. Denmark,

together with like-minded countries, must continue to actively support the Commission's work to ensure that the EU's fundamental values and democratic principles are respected by all Member States.

35. The prospects are an EU with well over 30 Member States. Therefore, it is important that the EU also becomes ready for enlargement. We must carefully consider the consequences of an enlargement for the size and composition of the EU budget, EU sector policies such as the agriculture and cohesion policies, and the EU's decision-making processes. And it is important for Denmark to continue ensuring effective control and enforcement, including in an enlarged Single Market, to ensure both free and fair movement. We agree that Denmark must actively engage in discussions on how the EU policies and decision-making processes should be adapted so that the EU is fully equipped for yet another major enlargement.
36. The Lisbon Treaty is constructed to accommodate new enlargements. It is a treaty with untapped flexibility possibilities, and the crises have shown that it works. We do not currently see a need for treaty changes, which involve a risky and difficult process. However, Denmark must engage in efforts to ensure that we make use of the possibilities in the treaty.
37. Thus, to ensure that the EU can continue to make effective decisions moving forward, we agree that Denmark must work to use the treaty's existing possibilities within the Common Foreign and Security Policy. For example, we will work for the increased use of constructive abstentions. We will also work to make greater use of the possibilities to adopt implementing decisions by qualified majority, e.g. in connection with specific sanction listings.
38. We are also open to the transition from unanimity to qualified majority via the EU treaty's specific passerelle clauses within defined areas of the Common Foreign and Security Policy, such as civilian crisis management and human rights policy. On the other hand, we do not see a need for full transition to qualified majority decisions within the Common Foreign and Security Policy.
39. Decisions impacting the military or defence area are exempt from the passerelle clauses. We oppose the abolition of the Member States' right of veto regarding decisions impacting the military or defence area, which would in any case require changes to the treaty. Sending a Danish military contribution to an EU mission or operation requires the prior consent of the Danish Parliament.
40. The issue of transition from unanimity to qualified majority via the passerelle clauses in areas other than the Common Foreign and Security Policy are regulated by the European Policy Agreement of 2008.

#### Europe's external borders and reform of the EU's asylum system

41. Irregular migration has once again become one of the most pressing challenges for the EU, which faces a new migration crisis. The increasing irregular

migration towards Europe risks putting the cohesion of the EU under great pressure. Denmark must contribute to addressing the root causes of irregular migration and displacement. This requires conflict prevention, an ambitious climate effort, and sustainable economic development in Africa in particular. We agree that irregular migration and displacement are a global and a European challenge that requires reform of the European asylum system, including a focus on cooperation with third countries. We must ensure that fewer asylum seekers, refugees and irregular migrants risk violence, abuse or their lives attempting to cross the Mediterranean or via other routes.

42. We will work for sustainable European solutions to the challenge from irregular migration, including in cooperation with third countries within the framework of the EU and our international obligations. There is a need to control the number of arrivals and to strengthen Europe's external borders. Denmark must work for heightened efforts under the auspices of the EU cooperation to secure Europe's external borders. It is also important that Member States maintain the option of reintroducing temporary border controls at the internal borders in accordance with the EU rules, if conditions warrant such action. We agree that we must strengthen cooperation with countries of origin and transit, and establish new and innovative partnerships with safe third countries, e.g. with inspiration from the EU-Türkiye Statement. There is also a need for more strategic use of equitable partnerships with key countries of origin and destination.

#### Denmark's EU presidency in 2025

43. Denmark will hold the presidency of the Council of the European Union in the second half of 2025. This is the biggest set foreign policy task of this decade. Denmark will have to generate progress on a number of important agendas that will still be at the centre of the EU cooperation in 2025. This applies not least to the areas covered by this agreement. We agree that the handling of the presidency must be given high priority, and that the Danish presidency must set an ambitious agenda for the work of the Council. The parties behind this agreement will engage in a constructive cooperation to prepare and carry out Denmark's EU presidency, including in relation to the organisation of the work of the Danish Parliament. The parties will continue their efforts to raise awareness broadly among the Danish population of the importance of the EU cooperation, including in connection with the forthcoming Danish EU presidency.