
A Green and Sustainable World

**The Danish Government's long-term
strategy for global climate action**

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Preface

The climate challenge is one of the greatest global challenges of our times. With the Paris Agreement and the UN Sustainable Development Goals (SDGs) from 2015, we have reached a global consensus on the need for a change of course to avoid a major rise in global temperatures and the irreparable damage such an increase would cause. Yet efforts to translate these goals into action have been insufficient.

Significantly higher ambitions and action are needed if the world is to reach the 1.5 degree goal of the Paris Agreement. Action must be taken within the coming decade to ensure a sustainable planet for future generations. We must break the curve of global greenhouse gas emissions. Even if the world achieves the goals, we must intensify our efforts to prevent and adapt to the impacts of climate change. By doing so, we can avoid and minimise the damage from climate change as far as possible and prevent climate change from causing increased global inequality. Climate changes are inevitable – and in many regions, such as Africa, they will be severe. We are already seeing the impacts today.

Denmark is leading the way with the Danish Climate Act and unprecedented ambitious climate goals. But Denmark only accounts for 0.1% of global emissions, so it is essential that the rest of the world moves in the same direction. The COVID-19 pandemic has merely intensified the need for drastic measures in support of sustainable development and green transition as a means of creating a real and lasting economic recovery. We must use the Danish example to rebuild better and greener societies – Build Back Better and Greener. We must also use the green transition and efforts to ensure access to clean water and clean energy to create jobs and apprenticeships, particularly in developing countries.

The Government wants Denmark, as a green pioneer, to lead the global climate effort and a fair global transition to sustainable societies for the benefit of the world's peoples – just as we have ensured a smooth transition to a green economy in Denmark over the past 50 years.

We have a historic and moral responsibility to take the lead. We have the experience and we have the green solutions. We have shown that economic growth and green transition can go hand in hand. We now have a unique opportunity to contribute solutions to the global climate challenges. Through bilateral and multilateral collaborations, as well as efforts via the EU, Denmark will be a global driving force in the international effort for a green and sustainable transition. Through stronger collaboration, dialogue and alliances with countries and non-state actors, we will inspire and influence others to raise ambitions in order to meet the goals of the Paris Agreement and ensure sustainable development in line with the SDGs. We will work for a socially just green transition that creates growth and opportunities for all, and which fights inequality.

With the Government's long-term strategy for global climate action, *A Green and Sustainable World*, a course is charted for Denmark's international climate efforts spanning foreign, development, trade and sector policy, as well as export and investment promotion. Success in our efforts for a green and sustainable transition globally will require political support at the highest level in all countries and comprehensive solutions involving all sectors and stakeholders. The Government will therefore activate all relevant areas of international policy and coordinate the Danish approach to ensure an ambitious, persistent, multifaceted and integrated

global climate effort. The climate agenda must be pursued by all areas of the Government, from the technical to the highest political level – and it must be pursued consistently and without hesitation. The Government has therefore taken the initiative to establish the first ever comprehensive strategy for Denmark's global climate efforts.

We will work to raise global climate ambitions, reduce global greenhouse gas emissions, intensify the focus on climate adaptation and sustainable development, and increase the mobilisation of financing for climate efforts. The Government wants to ensure that efforts to fight climate change and support sustainable development go hand in hand. Meeting the goals of the Paris Agreement and the SDGs serve as the framework for the Danish effort.

When we strengthen our global efforts for green transition, it benefits Denmark beyond the mere fact that we are contributing to a greener, more sustainable and equal world. The spread of Danish green solutions also contributes to green exports, growth and employment in Denmark. Our commitment to global climate action can also contribute to the acquisition of knowledge, innovative technology, solutions and investments, thus benefitting Denmark's own green transition, future-proofing our positions of strength in business, and helping to meet our ambitious climate goals.

It is also about solidarity. The Government wants to help the poorest countries, which are hardest hit by climate change. We will take the lead in support of a just green transition that creates skilled jobs – particularly in developing countries – and does not increase inequality.

The framework for global climate action is constantly evolving. The Government's international climate action will therefore expand as new challenges, opportunities and alliances arise. In the global chapter of our annual climate programme, we will outline the Government's initiatives in Denmark's global climate action, aligned with the aims of the Government's five-year strategy for global climate action.

The Government is setting a course for Denmark's global climate action with this strategy – and we are ready to take responsibility for realising these ambitions. Therefore, as we agreed in the Agreement on the Climate Act, we will prepare separate global reports on the international impacts of the Danish climate effort and the status of Denmark's international obligations as part of the annual climate status and forecast in April. Among other things, the report will present the current status of reductions in international shipping and aviation, as well as reductions from exports of electricity from renewable energy sources. The effects of Danish bilateral energy collaborations with major carbon emitters can also be included, and the effects of Danish imports and consumption will be explored. Additionally, the report will provide a review of Danish development assistance relating to climate action.

The Strategy was developed by the Danish Ministry of Foreign Affairs, Ministry of Climate, Energy and Utilities, Ministry of Finance, Ministry of Industry, Business and Financial Affairs, Ministry of Environment and Food, Ministry of Higher Education and Science, and Ministry of Transport and Housing.

We will make Denmark a global green driving force

Denmark will be a green pioneer in the global climate effort so that we can inspire and influence the rest of the world. Denmark will once again take leadership in the green transition, contribute to significantly raising global ambitions for the climate, environment and nature, and actively advance the Paris Agreement and sustainable development in line with the SDGs.

The global climate challenges must be addressed now

The world and Denmark are in a climate crisis. We consume more of the Earth's resources and emit more than the planet can withstand. These actions have consequences. The last four years are the warmest ever recorded on Earth. The planet's oceans are rising at a record pace and we have set a new low for how little sea ice is left in the Arctic.

The global green transition is one of the most important but also most difficult tasks the world is facing. If the whole world is to achieve the dream of enjoying the same standard of living as us, we must produce and consume in a different way. The green transition of society is a broad and deep process of change, often associated with social and economic changes that demand great political courage, collaboration and governmental capacity. To be a leading country, Denmark must show the way to a socially just and cost-effective transition that does not result in job losses, unequal redistribution and increased inequality, but rather in new green jobs and opportunities for more people. A concerted effort to train skilled workers with green competencies will be needed to ensure that job creation and the green transition go hand in hand in developing countries.

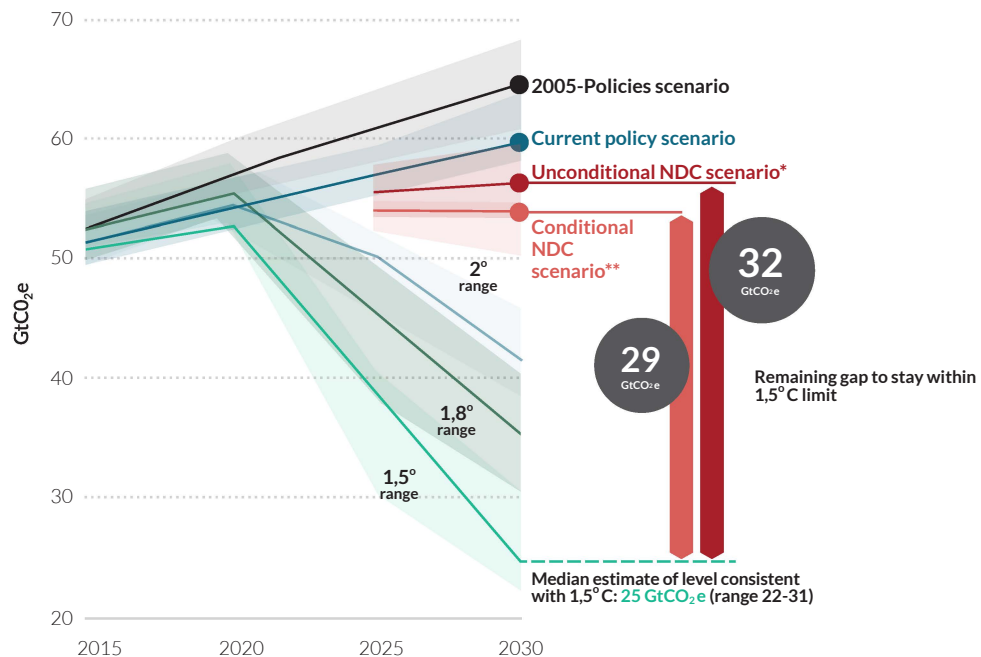
Immediate action is needed. Despite consensus on the Paris Agreement among the vast majority of the world's nations, we are not yet on track to limit temperature increases to below 2 degrees or striving for 1.5 degrees. We must break the curve of global greenhouse gas emissions. In order to limit global warming to 1.5 degrees, the UN Climate Panel finds that global CO₂ emissions must be 45% lower in 2030 than in 2010, combined with a significant reduction in other greenhouse gases. Man-made CO₂ emissions must reach net zero by 2050 at the latest. By meeting the already adopted climate contributions, however, global temperatures will still rise by more than 3 degrees by the end of this century. In other words, significantly higher ambitions are needed.

The majority of global emissions stem from a small group of major emitters, with China, the US and the EU in the top 3. This is where serious action must be taken so that the largest emitters commit to deliver more ambitious climate contributions. It is also important to maintain a focus on developing countries, and particularly emerging economies, which are already responsible for the majority of global emissions, and whose energy and resource needs will continue to grow, thus amplifying the trend of increased greenhouse gas emissions.



Graphic

Scenarios for future global CO₂ emissions



* Unconditional Nationally Determined Contributions which countries will deliver without conditions attached

** Conditional Nationally Determined Contributions which countries will deliver contingent on support or if other conditions are met

The graph shows different scenarios for future global CO₂ emissions based on different policies. Significantly higher global ambitions are needed if the world is to successfully limit the global temperature increase to 1.5 degrees. Depending on the political scenario (conditional or unconditional Nationally Determined Contributions), we still need to reduce global emissions by, respectively, 32 and 29 gigaton CO₂. That is more than half of the current combined global emissions or about three times China's annual emissions (2020 figures).

Source: UNEP emission Gap rapport 2019. Adjusted by the Danish Ministry of Climate, Energy and Utilities.

In 2040, more than half of the increase in emissions will come from India and China. Meanwhile, approximately 550 million residents of sub-Saharan Africa still lacked access to electricity in 2018. When they gain access, the rising energy needs must be met by green rather than polluting sources of energy.

In addition to the energy sector, sectors such as agriculture, transport and industrial manufacturing play a key role in the climate fight, as they account for a large and growing share of resource consumption and global greenhouse gas emissions. Green technologies, energy efficiency, effective use and reuse of resources, new methods of cultivation and production in agriculture, reduced deforestation, innovation and new technologies are all necessary to counteract and adapt to climate change. Establishing a circular economy is thus also a core element of the green transition.

Danish consumption and activity impact greenhouse gas emissions beyond Denmark's borders.

Danes consume goods produced in other countries. The average climate footprint of Danes is therefore larger than what is produced nationally. Therefore, efforts by Danish companies to integrate sustainability into their value chains and to export green solutions are important elements of Denmark's overall global action. The Government is also working for a reduction of global emissions through bilateral Strategic Sector Cooperation, including with a number of emerging economies.

The reduction effort cannot stand alone. Even if the goals of the Paris Agreement are met, global warming will still have major consequences. All countries will face challenges in adapting to climate change and preventing its consequences. Global demand for methods and technologies for climate protection and adaptation is expected to rise as the impacts of climate change become increasingly evident. The strong competencies in these fields held by Danish public authorities and companies must be extended to the rest of the world and further developed.

The least developed countries and small island states will be hardest hit by climate change, and also have the fewest resources to manage the challenge. Here, climate change has the potential to roll back decades of development progress and intensify problems relating to poverty, inequality, migration and displacement, conflict, security and instability, and shortages of, for example, water. The Government wants to strengthen efforts to ensure that developing countries have opportunities to meet the goals of the Paris Agreement and achieve sustainable development in line with the SDGs.

Establishing a sufficient level of ambition in the reduction and adaptation efforts will depend on shifting global finance flows from investments in fossil fuels to green solutions and adaptation measures. Green investments must be the answer for rebuilding the local and global economy, and for promoting economic growth and jobs.

Denmark as a green superpower

Danish efforts are to a great extent carried out through the EU, multilateral and bilateral collaborations, and alliances with countries and non-state actors. With its high national ambitions and decades of experience in green transition and climate adaptation, Denmark is a leading country with a unique platform for inspiring the rest of the world to adopt high ambitions and take action now. Danish climate diplomacy efforts must focus on the largest emitters, as well as other emerging economies and developing countries, which will be the source of increased greenhouse gas emissions in the future, and which have the fewest resources to meet the challenges of climate change. We can help to inspire other countries and play a constructive role as bridge builders in international climate negotiations. We can demonstrate that green transition, growth, welfare, job creation and education go hand in hand.

The Government will focus Denmark's international climate effort on the three main goals of the Paris Agreement:

- Pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.
- Increasing the ability to adapt to the adverse impacts of climate change affecting the poorest most severely and foster climate resilience.
- Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

Immediate action is needed to ensure sustainable global development. The Paris Agreement and the SDGs reflect that the challenges and the solutions must cut across all three dimensions of sustainable development: social, environmental and economic. To reach the goal of limiting the temperature rise, the global community must invest massively in the green transition. The global market for green transition will only continue to grow. This is a unique opportunity for Danish businesses that must be seized. Denmark must be known as a green entrepreneurial nation with strong knowledge institutions, and exports of green technology, solutions and consulting must be increased.

A stronger effort will also contribute to attracting knowledge, investment and collaborations in research and innovation to advance the development of tomorrow's green positions of strength and support Denmark's position as a green superpower.

We cannot take action to achieve these goals alone. The Government's climate diplomacy efforts must be conducted with the global community through alliances via the EU, with other countries and non-state actors. Non-state actors play a crucial role, as their ambitions and development of green solutions increase the pressure on countries to commit to higher climate ambitions, while also demonstrating the availability of green solutions.

Reading guide

The following chapters present the strategic framework for Denmark's climate diplomacy efforts, divided into the following aims:

- We will raise the global climate ambitions.
- We will reduce global greenhouse gas emissions by leading the way in the green transition.
- We will drive adaptation and resilience initiatives in the fight against climate change.
- We will shift global finance flows in a green direction.
- We will collaborate with the business community on green solutions that make a difference.

We will raise the global climate ambitions

Through negotiations in the UN and stronger climate diplomacy efforts, the Government will work to influence countries and non-state actors to commit to ambitious goals that contribute to limiting the global temperature rise. We will work to ensure an ambitious effort for climate adaptation and resilience, as well as for sustainable development. This will be done via the EU and in alliance and collaboration with countries and non-state actors.

We will ensure a robust framework in the negotiations

The climate challenge can only be solved with common global solutions. The UN Climate Convention and the Paris Agreement comprise the common international framework for the global climate effort. The current level of ambition is far from sufficient. Implementation of the Paris Agreement is too slow. The polarisation in recent years between different groups of countries, and particularly the impending US withdrawal from the Paris Agreement, weakens the overall framework for higher ambitions to reach the common goals of limiting the global temperature rise, ensuring ambitious efforts in climate adaptation and sustainable development, and mobilising financing for both purposes.

The Government wants to strengthen the UN Climate Convention, maintain the Paris Agreement as a global framework, and finalise negotiations on the provisions of the agreement to ensure the most ambitious framework possible. Trust in the negotiations must be restored. Denmark is working to make the Paris Agreement a well-functioning and credible framework

that ensures continuous intensification of the global climate effort. This will send a clear signal about the will to take action, and it will support the green transition of businesses.

Denmark must be a driving force in climate diplomacy

The Government wants a new and strengthened Danish climate diplomacy effort to influence other countries to commit to ambitious goals and take action to meet these goals. We have much to offer, for example in the areas of nationally determined contributions, strategies for climate adaptation, national political and economic decisions. Denmark will work for comprehensive solutions and increased influence by all means available to the Government, including bilateral and multilateral efforts, and through the EU in coordinated efforts. We will work to ensure that international policy areas systematically support efforts to meet the goals of the Paris Agreement and the SDGs. Across the Government, we will raise the climate agenda in the dialogue with international partners, working closely with our Green Frontline Missions and the climate ambassador.



Graphic

Denmark's Green Frontline Missions



The climate diplomacy effort must be rooted in the Danish positions of strength and competencies, and we will connect the political dialogue with technical capacity building and the dissemination of green Danish solutions. The strong Danish competencies in energy transition are key to achieving green and sustainable development. Denmark's global leadership for SDG 7 on sustainable energy is thus a priority in the bilateral and multilateral climate diplomacy effort, with a focus on promoting renewable energy, energy efficiency and access to

clean energy for all. We will also draw on Danish competencies to strengthen the climate effort in the areas of environment, waste, water, agriculture and food – also in relation to other greenhouse gases than CO₂, particularly methane and nitrous oxide, both of which have a high greenhouse effect.

The climate diplomacy effort focuses on countries where Denmark has special opportunities for influence, and will vary according to the challenges and opportunities of the given country. The main



Text box

Green strategic partnerships

The green agenda is a main focus of Denmark's strategic partnerships with China, South Korea, Japan, Mexico and Indonesia. The Government is working on new green strategic partnerships with India and South Africa. Many of these countries play key roles in meeting the aims of the SDGs and the Paris Agreement. The strategic partnerships are important levers for accelerating the partner country's green transition, strengthening alliances in international negotiations on green agendas, while also creating new opportunities for the export of Danish green solutions.

challenge in countries with high emissions, OECD countries and emerging economies is to raise the level of ambition towards climate neutrality via sustainable transition in all sectors. The challenge among the least developed and most vulnerable countries and small island states is to ensure sustainable low-emission development and adaptation to climate change. Green strategic partnerships with selected third countries is a key instrument in the Danish climate diplomacy effort. This is a coordinated approach that offers broad-spectrum collaboration with Danish authorities based on green Danish experiences and solutions, and which builds political relations, opens doors for Danish businesses, and invites alliances in international negotiations on common green agendas.

The EU must lead by the power of the green example

We will increase Denmark's climate diplomacy influence by working harder through the EU. The EU must lead by the power of the green example. Denmark is working for a more ambitious EU climate target of at least 55% by 2030, a cost-effective implementation, and an ambitious European climate law with goals of climate neutrality by 2050 for the EU and all member countries, which can put pressure on and inspire other countries and actors to raise their ambitions. The EU must lead the way globally and set an example that shows it is possible to create a successful democratic society with a well-designed green transition that is supported by citizens and civil society, and in partnership with businesses, investors, educational institutions and the research community. This will put the EU in a strong position to advocate for higher ambitions in the rest of the world – and Denmark will make a strong contribution to this effort.

The Government will work to activate all instruments linked to the EU's external diplomacy to promote green transition and an increase in EU alliances with non-state actors. EU development assistance must be a platform for promoting climate ambitions and supporting climate adaptation. This

increases opportunities for alliance formation with the poorest developing countries and small island states, which can help put pressure on large emerging economies to raise their ambitions. Meanwhile, EU trade policy must focus more on climate and environmental considerations, as well as commitments to implement the Paris Agreement. Trade in sustainable solutions must be promoted. Being green must provide competitive advantages. Denmark will therefore work – nationally and through the EU – to promote beneficial regulatory and competitive conditions for business that lead the way in the green transition. Denmark will also work to ensure that EU research and innovation policy contributes to reaching the goal of climate neutrality.

We make advances through alliances and collaboration with countries and non-state actors

Denmark will strengthen alliances, coalitions and partnerships with countries and non-state actors to raise global ambitions. International organisations, businesses, investors, knowledge institutions, civil society, labour and employer organisations, municipalities and other non-state actors – not least those in Denmark – often lead the way with high climate ambitions and by demonstrating the global potential of putting green solutions into practice. They thereby help to inspire and put pressure on countries and other non-state actors to commit to higher climate ambitions.

The Government will promote international cooperation with and between these actors, including in sectors where the green transition is particularly challenging. The Government will support the business community's own innovative partnerships and green goals internationally, including as a lever for green jobs. The climate partnerships will play a key role in this respect. The Government will strengthen its climate agenda collaborations with civil society organisations, whose broad knowledge, global networks and partners in the Global South can play an important role as a mobilising force of



Text box

Prioritised green EU areas

- More ambitious EU climate targets: Climate neutrality in the EU by 2050 for all member states and a 2030 climate goal of at least 55%
- Reform of the Emissions Trading Scheme (ETS)
- More renewable energy in the EU and wind islands in the North Sea
- Phasing out of petrol and diesel cars in the EU
- Green reform of EU agricultural policy
- 8th Environment Action Programme, including biodiversity strategy and circular economy
- Global action, including green trade policy



Text box

Green policy for, with and by young people

Young people are hard hit by climate change. At the same time, young people have an important voice in the climate debate – a voice that embraces new thinking. Denmark is leading the way in engaging and involving young people, both in Denmark and beyond. The Government is actively working in the global arena to ensure that young people participate in decision-making processes, and has, among other things, appointed two youth delegations to the UN that represent the views of young people in the realm of international climate and environment policy.

global ambition rooted in popular movements, as a green watchdog for socially just green transition, as a partner in the development of sustainable green solutions, and as a facilitator of information and debate on opportunities in green transition in partner countries. Denmark's climate diplomacy effort will also build on our role as a champion of democracy and human rights, where indigenous peoples in particular are affected by climate change. We will also promote civil engagement and democratic responsibility as driving forces of climate action, particularly among young people.

It is a priority of the Government that all of society contributes to the climate effort. This includes the sectors and activities that are not part of the Paris Agreement, e.g. international aviation and shipping, which account for 4-5% of global greenhouse gas emissions at present – a figure that is expected to rise going forward. The Government wants to raise climate ambitions globally in international shipping, aviation and land transport via relevant international agreements and global collaborations. In 2018, the UN International Maritime Organization (IMO) adopted a climate strategy in line with the goals of the Paris Agreement. We have seen great willingness from the Danish maritime sector to contribute to the global climate effort, and combined with the EU goal of climate neutrality by 2050, there is a strong foundation for working with the rest of the EU to raise the ambitions of the IMO. Increased climate diplomacy in the maritime sector can help strengthen efforts to raise and implement climate goals for international shipping under the auspices of the IMO. As part of efforts to raise global ambitions in the transport sector, the Government will work to promote knowledge about urban mobility internationally, including cycling and studies of determining factors that drive citizen to choose cycling as a means of transport in larger cities.

Finally, the Government will work to raise ambitions and accelerate action via international cooperation, agreements and measures to achieve synergies across efforts involving agriculture, deforestation, water and air quality, land use, biodiversity, sustainable production and consumption, circular economy, nature-based solutions and marine environments.

Strategic initiatives and efforts

- **The Government will** work to ensure that the UN Climate Convention and the Paris Agreement serve as an effective and credible framework for the global climate effort that contributes to raising global ambitions. In UN climate negotiations, the Government will seek to build alliances with all relevant groups, among others, the poorest and most vulnerable developing countries and small island states, with a focus on their special needs for securing access to climate financing and climate adaptation.
- **The Government will** work for an increase of the EU's 2030 goal to at least 55%, a cost-effective implementation, an ambitious European climate law with a goal of climate neutrality by 2050 at the latest for the EU and member states, and a well-designed EU green transition.
- **The Government will**, as part of an intensified climate diplomacy effort, work to ensure that foreign, development, trade and relevant sector policies, as well as export and investment promotion efforts, systematically support the Paris Agreement and the SDGs, and are part of a coordinated effort bilaterally, multilaterally and via the EU. The Government will work to strengthen the EU's climate diplomacy.
- **The Government will** work for an economic recovery after the COVID-19 crisis that is in accordance with the Paris Agreement and the SDGs – we must Build Back Better and Greener.
- **The Government will** work to ensure that EU trade policy has a greater focus on climate and environmental considerations, and to promote trade in sustainable solutions.
- **The Government will** utilise Denmark's leadership for SDG 7 on sustainable energy with a focus on renewable energy, energy efficiency and access to energy to raise the level of global ambitions. In connection with these efforts, we will also work to ensure training of skilled workers with the right competencies in these areas.
- **The Government will** work to raise climate ambitions and increase green transition efforts via green strategic partnerships and collaborations with selected third countries, and via dialogue with priority countries for development cooperation.
- **The Government will** work to raise climate ambitions and promote action through collaboration with non-state actors, including municipalities, businesses, international organisations and civil society.
- **The Government will** work for a socially just global green transition in which civil societies – particularly vulnerable groups and young people – are involved in shaping the green future.
- **The Government will** strengthen synergy with the climate agenda in global cooperation to promote sustainable consumption and production, global recycling of plastic, and safe management of chemicals and waste.
- **The Government will** work for ambitious new global nature goals under the UN Biodiversity Convention, including efforts to stop the loss of natural areas and promote the use of nature-based solutions, and will work for relevant international agreements to ensure the marine ecosystems are resilient to and robust in the face of climate change.
- **The Government will** work with other countries and non-state actors to make global food systems more sustainable, for example through participation in coalitions and multilateral forums, and through the spread of sustainable solutions, among others, in nitrogen use, food waste and food loss.
- **The Government will** adopt high ambitions in the regulation of international shipping and aviation through the UN International Maritime Organization (IMO) and the UN International Civil Aviation Organization (ICAO), and will work for the effective implementation of these ambitions.
- **The Government will** work to raise ambitions and support the phasing out of petrol and diesel cars, both in its efforts via the EU and through relevant global collaborations in the area of land transport, including International Transport Forum (ITF).

We will reduce global greenhouse gas emissions by leading the way in the green transition

Denmark will work to put the green transition into practice, with a focus on ensuring the world's largest emitters reduce their emissions and on sustainable development in developing countries.

Denmark must take green leadership in the EU

Denmark's influence on the EU's climate goals and regulations is a key means of reducing greenhouse gas emissions globally. The EU accounts for approximately 10% of global emissions, and robust EU regulations are helping to reduce that share, which can serve as inspiration for other countries. Ambitious and cost-effective regulation in the EU can also contribute to Denmark's green transition. Under the current European Commission in 2020-2024, legislation will be considered on how the EU will increase and meet

a higher greenhouse gas reduction goal by 2030 and transition to a climate-neutral society with a resource-efficient and competitive economy.

Denmark will take proactive green leadership in the EU and work for an ambitious implementation of the European Green Deal with cost-effective climate regulation that contributes to a higher EU climate goal for 2030 of at least 55% and climate neutrality in the EU and in all member states by 2050 at the latest. The Danish effort in the EU is crucial because it helps to advance the green transition at the national level, reduces the risk



Text box

Elements of the European Green Deal

- Climate neutrality in the EU by 2050 at the latest
- Increasing the EU 2030 climate goal to at least 50% and up to 55%
- Delivery of clean, affordable and safe energy
- Mobilisation of the industry with a view to a clean and circular economy
- Construction and renovation of buildings in an energy- and resource-efficient way
- Ambition of zero pollution for a non-toxic environment
- Preservation and restoration of ecosystems and biodiversity
- From farm to table: A just, healthy and environmentally-friendly food system
- Accelerating the transition to sustainable and intelligent mobility
- Financing of the transition
- No one is left behind (a just transition)

of job relocation, strengthens the competitiveness of green Danish businesses and exports, and pushes for strong European climate regulation that can inspire globally.

We contribute to global reductions

Denmark’s combined experience and competencies in green transition give us a unique opportunity to help reduce global greenhouse gas emissions in the rest of the world.

Danish public authorities have many decades of experience in creating the framework for a successful green transition, and Danish businesses and other actors, such as knowledge institutions, are leaders in developing and implementing green solutions in areas such as renewable energy, district heating, energy efficiency improvements, clean drinking water, wastewater, efficient agricultural and food production, and biofuels. Bilateral Strategic Sector Cooperation with public authorities in other countries and export promotion initiatives allow for significant upscaling and gearing of Danish experiences and solutions. These activities

contribute to reducing emissions outside of Denmark’s borders.

In the Strategic Sector Cooperation with other countries, Danish experts and the Danish embassies engage in direct and extended cooperation with the partner country’s public authorities. For example, Danish and Chinese technical experts worked together to show how China’s future energy system can be designed so that China reduces its CO₂ emissions by more than 7 billion tonnes of CO₂ annually by 2050 – without increased energy costs. Through this unique Danish approach, we provide advice on downscaling high-emission activities while upscaling green solutions.

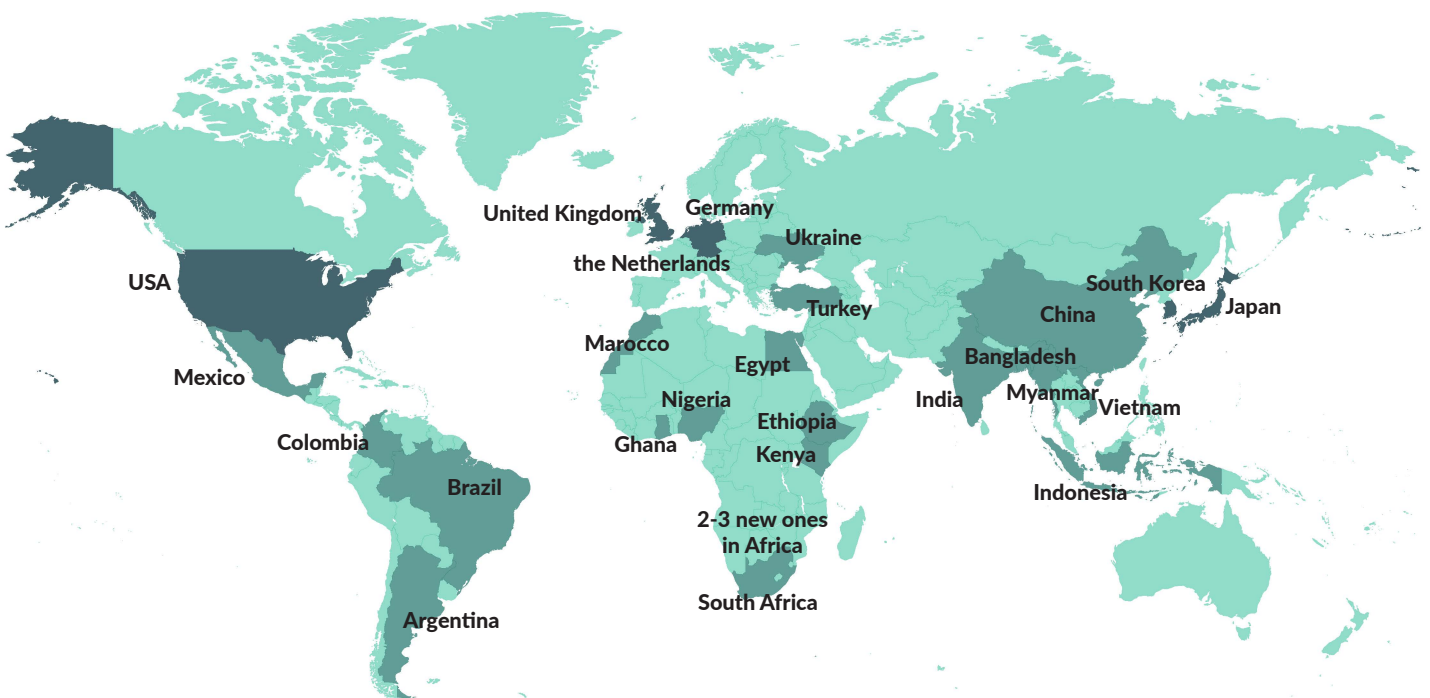
The combination of solution-oriented Strategic Sector Collaboration with public authorities, commercial export advisory services, and strong Danish climate diplomacy represents a coordinated and multifaceted approach that strengthens the foundation for political and technical decisions in support of green and sustainable transitions in our partner countries and green solutions from Danish businesses. In a world where many countries are



Graphic

Strategic Sector Cooperation

- Strategic Sector Cooperation as part of development assistance
- Strategic Sector Cooperation as part of the Energy Governance Partnerships





Text box

Strategic Sector Cooperation in Vietnam

With annual CO₂ emissions of 75 million tonnes, the Vietnamese industrial sector is among the sectors in Vietnam with the highest energy consumption. As part of the Danish-Vietnamese Strategic Sector Cooperation in the area of energy, Danish experiences are being shared with Vietnamese industry to help achieve major energy savings in Vietnam. The climate effect of this increased energy efficiency is expected to be annual CO₂ emissions reductions of three million tonnes over the next five years. This corresponds to 37% of the annual emissions from Danish energy consumption (2018 figures).

The Danish-Vietnamese dialogue is being conducted by the Danish Energy Agency and the Vietnamese Ministry of Industry and Trade, and is supported by the Danish Embassy in Vietnam. Denmark has contributed to the preparation of guidelines and a data-driven tool where Vietnamese provinces can enter their energy data and obtain an overview of attractive energy-saving measures, proposed local action plans, and reduction goals. The tool is part of the national action plan that has a goal of 5-7% increased energy efficiency in the period 2019-2025.

raising their green ambitions, there is increased demand for Danish expertise and advice. The Government will strengthen Danish advisory services through long-term and in-depth cooperation, while also opening up for short-term collaborations with a narrower focus in countries with specific needs that Denmark can help to meet.

The world is facing major investments in infrastructure in the coming decades as a result of higher climate ambitions and rising energy and resource needs. Denmark must work for green infrastructure that improves the possibility of reaching the goals of the Paris Agreement. This offers great opportunities for Danish companies – big and small – with established positions of strength in green technologies, including energy, water, environmental, and agricultural technologies, as well as in maritime businesses. These opportunities must be seized for the benefit of the global green transition, job creation and education, green exports and the future prosperity of Denmark. Via international agreements, partnerships and development cooperation, we will also contribute to reducing the global climate footprint of Danish and global businesses relating to imports and consumption.

The Government's efforts for an upscaling of green solutions around the world must go hand in hand with a downscaling of high emission sectors and energy sources. Phasing out coal and subsidies for fossil fuels globally are the most pressing global challenges to reach the temperature goal of the Paris Agreement. In the EU, the phasing out of coal is being managed through the European Green Deal and the goal of a climate-neutral EU by 2050 at the latest. The Government wants to strengthen efforts

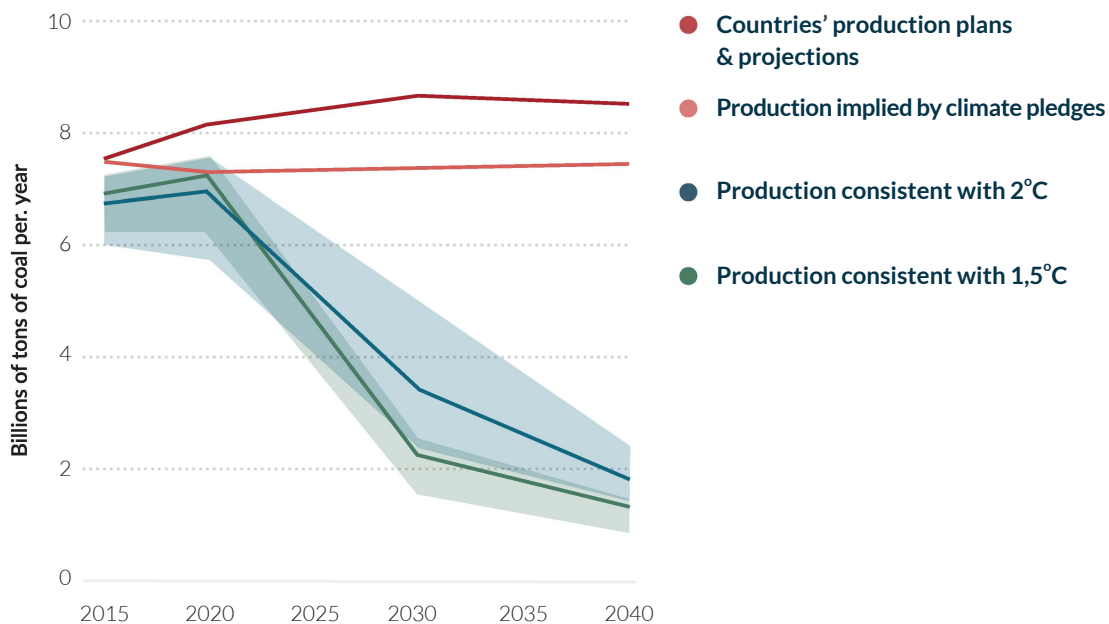
to phase out coal, particularly in Asia and Africa, where the sharply increasing energy demand should be met with renewable energy or limited through energy-efficient measures. We will also work to ensure that the green transition is socially just, and that new green opportunities are created in areas where fossil fuel industry jobs disappear. The green transition must serve as a tool for creating the jobs of tomorrow and a better society. Relevant education and training is critically important in this respect. Therefore, we will contribute to training more skilled workers in green sectors, with a particular focus on developing countries.

A strong link between bilateral collaborations and efforts in multilateral forums can increase the impact of the overall Danish climate effort. Through strong Danish climate diplomacy efforts in the EU and UN, as well as participation in international organisations, the Danish bilateral effort must be supported by the collective political pressure of larger groups of countries and the exchange of experiences.



Graphic

Projection of global coal production



The graphic shows projections of the global coal production according to different scenarios: continued current development (red), production implied by climate pledges (light red) and coal production consistent with, respectively, 2 and 1.5 degrees global temperature increases (blue and green).

Source: UNEP (2019): Production Gap Report 2019.

Strategic initiatives and efforts

- **The Government will** work for ambitious and cost-effective climate and environmental regulation in the EU that can ensure a green transition towards an increased climate goal in 2030 of at least 55%, and towards a climate-neutral EU by 2050 at the latest.
- **The Government will** strengthen bilateral Strategic Sector Cooperation with public authorities in other countries, as well as commercial export promotion efforts in the EU and globally, in order to reduce global greenhouse gas emissions.
- **The Government will** strengthen Danish support for the multilateral efforts in support of a global green transition.
- **The Government will** work to promote the phasing out of coal globally and a halt to public export financing of coal-fired power plants, thermal coal extraction and thermal coal logistics. In international negotiations, the Government will also intensify its climate diplomacy efforts for a global phasing out of coal.
- **The Government will** work to support a reduction of the global climate footprint of Danish and foreign businesses, with a focus on the value chain.
- **The Government will** strengthen responsible and deforestation-free value chains for agricultural goods in order to benefit the climate, biodiversity and social conditions in producer countries, and to reduce the Danish climate and environmental footprint.

We will drive adaptation and resilience initiatives in the fight against climate change

The Government wants to use its position as a green pioneer country internationally to inspire and drive adaptation and resilience initiatives in the climate fight, both through development cooperation and export promotion efforts. The Government wants Danish development cooperation to embrace far higher climate ambitions, with a stronger focus on adaptation and sustainable development in the poorest and most fragile developing countries, where more people must have access to clean energy and clean water. Through its export promotion efforts, the Government will advocate the global spread of Danish solutions for climate adaptation and resilience.

Climate changes are being felt across the globe

Extreme weather events such as heat waves, droughts and floods have become the norm in many parts of the world. These developments require extensive investments. Most of the world's large cities are located along coastlines or rivers and are threatened by rising water levels and floods, while global agricultural production is challenged by extreme weather phenomena. It is particularly concerning that climate change risks undermining the progress of recent decades in many developing countries, thus making it impossible to meet the UN Sustainable Development Goals. All countries must improve their resilience to climate changes. This is particularly true in the poorest and most fragile countries. Climate changes are severely impacting agriculture, and thus the livelihoods of the large share of the world's population that depends on it. We must increase resilience in agriculture and ensure adaptation through alternative sources of income so that these groups are less vulnerable.

We must contribute to preventing and reducing the risk of losses and damage as a result of climate change, and help with rebuilding efforts in the wake of climate disasters. We will thereby help to save human lives, reduce inequality, prevent conflict and displacement, and support positive economic development in the years to come. The foreign and security policy aspects of the climate challenge will be further elucidated in the Government's foreign and security policy strategy.

Denmark has experience, know-how and solutions in prevention, resilience, climate adaptation and sustainable development, all of which must be put into play

globally. Therefore, Danish authorities, utility companies, businesses, civil society organisations and knowledge institutions must strengthen their international engagement and cooperation. This will be to the benefit of our partner countries, Danish exports and employment, and further development of Danish positions of strength.

We will ensure green development cooperation rooted in solidarity

Climate changes are global, yet the impacts are skewed. The world's poorest people and countries are the hardest hit. They also have the fewest resources for adapting to a warmer climate with changing precipitation patterns, elevated water levels and more frequent natural disasters. Without massive and rapid action, the climate crisis will undermine the possibility of reaching the SDGs, especially in Africa, while also putting past advances at risk. The climate crisis may also exacerbate existing poverty, fragility, inequality and conflicts – and lead to increased displacement and irregular migration. Denmark will therefore focus on prevention of, and adaptation to, the impacts of climate change, and the development of resilience in all efforts relating to the other SDGs. When we fight climate change, we must also fight inequality.

The Government wants to increase the share of development assistance that supports climate-related activities. Development cooperation relating to climate activities must also target the diverse needs of developing countries and be rooted in local priorities and challenges.

Reduction efforts in large emerging economies have the greatest impact on global emissions in the short

term. The poorest and most fragile countries have the greatest need for support in dealing with the consequences of climate change. There are also great opportunities for positive synergy between a green transition, climate adaptation and achieving the other SDGs, such as SDG 5 on gender equality. Investments in women's and girls' education and sexual and reproductive health and rights contribute to improving the inclusion of women in political and economic life and help to break the population curve. This also applies to SDG 8 on decent jobs and economic growth, where the green transition can be a tool for creating new green jobs, including by investing in more skilled workers with green skills.

Developing countries are facing enormous challenges in creating jobs for millions of young people. At the same time, huge sums must be invested in new infrastructure, urban development, industry, sustainable agricultural production and water and energy supply. In sub-Saharan Africa, a large share of the population lacks access to clean energy and clean water. Access

to water and better water resource management are requirements for stable food production. Access to water can also reduce tensions in regions where resources are scarce. Massive investments in new infrastructure will be required to achieve the SDGs. In this respect, the poorest countries have the opportunity to skip the fossil fuel-powered polluting phase and go directly to green solutions. New investments must be based on future climate scenarios, and thus adapted for a warmer world with increased risk of drought, flooding and heat waves. It is necessary to set a green agenda that adds a new dynamic to efforts to reach the SDGs, and which creates growth, education and green jobs and apprenticeships with green skills, particularly for the many young people in Africa. The green transition must not increase inequality. This will also prevent climate-driven displacement and irregular migration. Therefore, Denmark's development cooperation will have a special focus on ensuring access to clean energy and clean water for millions in Africa. And, lastly, Denmark will work to promote initiatives combining climate, environment and biodiversity considerations.



Text box

We must ensure global access to clean water and clean energy

Access to water and energy is the basis for life and sustainable development. But many millions of people, particularly in Africa, lack access. Therefore, the Government is working to ensure access to clean water and clean energy, particularly in Africa.

- 844 million people worldwide lack access to water. The problem is particularly severe in sub-Saharan Africa, where approximately 40% of the population lacks access to water.
- 789 million people worldwide lack access to energy. Most of these people – 70% – live in sub-Saharan Africa.

Danish competencies and solutions must be applied

The strong Danish competencies and solutions in climate adaptation and sustainable development must be actively applied in the rest of the world.

Denmark's Strategic Sector Cooperation with public authorities will contribute to supporting partner countries in preparing and implementing ambitious climate adaptation plans. These plans must be integrated in relevant national and local development plans and contribute to strengthening the resilience of these countries, and they must be coordinated with other Danish climate efforts, including in the area of financing. Strategic Sector Cooperation will also help to lay the groundwork for private investments in climate adaptation projects. This can create concrete opportunities for Danish businesses to export green technology solutions, project consulting and technical collaborations with other actors. By the power of example, these solutions can show what is possible and help to inspire green growth and ambitious adaptation plans, and to mobilise capital from private investors.

The close links between technical cooperation, development assistance, climate diplomacy and export promotion can form the basis for a more rapid green transition and adaptation in the rest of the world. This can be achieved through targeted energy, climate, food and environment collaborations in existing partner countries and in new countries, and strengthened green export promotion.

Danish businesses already export climate adaptation solutions designed to prevent and mitigate the consequences of climate change to countries around the world. In the coming years, demand is expected to further increase as the impacts of climate change begin to accelerate and demand for sustainable solutions increases. This challenge will require innovative new solutions and further development of Danish positions of strength in green solutions for climate adaptation. The Government will support this development by intensifying the focus of export promotion efforts on sustainability and climate. The Government will also support the development of a local green private sector in partner countries through development cooperation, which can also serve as a means of creating more green jobs.

Strategic initiatives and efforts

- **The Government will** ensure that Denmark once again becomes a leading green country when it comes to development assistance with a pioneer approach that inspires and creates tangible change for the world's poorest.
- **The Government will** prepare a new development policy strategy in which climate and environmental support are central and closely tied to efforts to fulfil the SDGs.
- **The Government will** prioritise the integration of climate considerations into all relevant country strategies, organisation strategies and agreements with civil society, which comprise the strategic frameworks for Denmark's development engagement with countries, organisations and partners.
- **The Government will** ensure that development cooperation activities advance efforts to meet the SDGs and the goals of the Paris Agreement, and that no Danish efforts counteract the ambitions of the Paris Agreement.
- **The Government will** give special priority to green transition and promotion of resilience in Africa by ensuring access to clean energy and clean water, and by supporting sustainable food systems. In these efforts, we will also focus on creating green jobs and training skilled workers with green competencies, and on ensuring that the green transition does not increase inequality.
- **The Government will** work to ensure that the UN is better at preventing conflicts and maintaining peace by addressing the security-related consequences of climate change, including in connection with the work of the UN Security Council.
- **The Government will** work for initiatives that promote and coordinate climate, environment and biodiversity considerations.
- **The Government will** strengthen Strategic Sector Cooperation in the area of climate adaptation in developing countries, with a focus on Africa.
- **The Government will** intensify export promotion efforts in relation to green prevention and climate adaptation solutions.
- **The Government will** expand the use of water alliances with utility companies, businesses, knowledge institutions and international partners to more countries.

We will shift global finance flows in a green direction

Massive investment is needed to speed up the green transition. The Government will work to accelerate a shift to green, climate-friendly investments at all levels and country groups. The framework conditions for the financial markets and, for example, the energy market must be designed to support green investment by private and institutional investors and funds. There is also a need to strengthen the mobilisation of climate financing for the poorest and most fragile countries. The Government will take the lead in efforts to incorporate the green transition in recovery packages after COVID-19, both globally and through the EU.

Financial actors must contribute to the green transition

Public and private investors have a responsibility to accelerate the green transition by investing in green solutions. Denmark can build on past successes with the mobilisation of investors in the green transition by intensifying efforts to pull the EU and multilateral development banks in a greener direction. The Government therefore intends to work for the development of international frameworks for businesses and the financial sector that promote green and sustainable investments. This will also support green investments in Denmark.

The EU regulation on a classification system for sustainable economic activities is a step in the right direction, and the Government wants to make a positive contribution towards additional EU initiatives in the financial sector. The Government will be a constructive partner in efforts to promote greater transparency in the financial sector in relation to climate risks. Denmark will therefore contribute to advancing common definitions and transparency that can give investors and consumers the opportunity to “vote with their pocketbooks” by choosing sustainable alternatives. Denmark also supports the Task Force on Climate-related Financial Disclosures (TCFD) initiative. The recommendations of TCFD are helping to create a common global frame of reference for

climate reporting and increasing the incentive for businesses to embrace the green transition. TCFD is thus contributing to shifting finance flows in accordance with the goals of the Paris Agreement.

Public-private partnerships are an important tool for increasing private investments. For example, the Government and a group of private actors have established the Climate Investment Coalition, a public-private partnership with an aim of mobilising institutional investors internationally to increase their investments in the green transition between now and 2030. This sends a clear signal that investors are prepared to make investments if the countries raise their political ambitions and create the right framework conditions for green energy. Going forward, we will collaborate with investors and investor coalitions and other financial actors that are driving the green transition.

Investments must be channelled into the green transition and climate adaptation

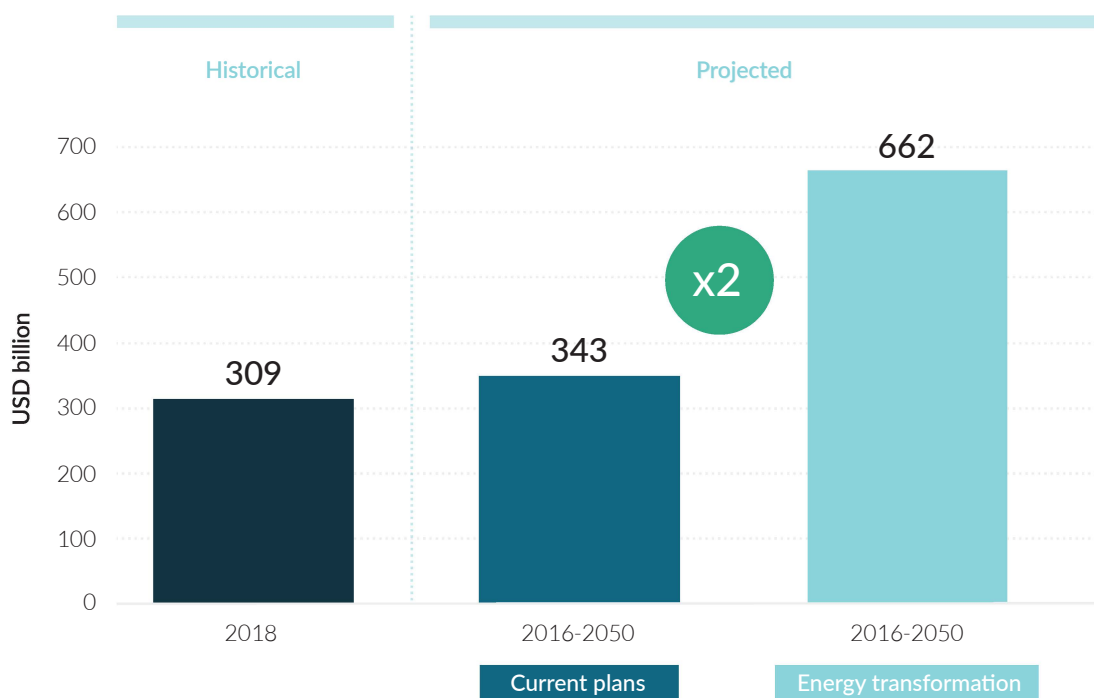
Massive investments in the green transition are needed. Annual investments in renewable energy alone must be nearly doubled, from approximately 350 billion to approximately 650 billion USD annually, by 2050 if the global temperature rise is to be limited to 1.5 degrees¹. In the short run, the economic crisis in the wake of COVID-19 is putting green investments under pressure. Despite the existence of developed green technologies that are

¹ IRENA (2019): Holding the Line on Rising Global Temperatures



Graphic

Massive need for investments in renewable energy to reach the 1.5 degree goal



The graph shows the need for average global annual investments in renewable energy capacity (electricity production) to reach the 1.5 degree goal. Annual investments in renewable energy need to be almost doubled from approximately 350 to approximately 650 billion USD annually until 2050 compared to current plans.

Source: IRENA, 2019: Holding the Line on Rising Global Temperatures. Adjusted by the Danish Ministry of Energy, Climate and Utilities.

competitive with fossil technologies, investments in renewable energy and other green technologies are often seen as more financially risky, particularly in emerging economies and developing countries. This represents a challenge to efforts to advance the green transition. Therefore, Denmark is actively engaging in efforts to improve the framework conditions for investments in the green transition, particularly in renewable energy, through the sharing of our own experiences. This is being done bilaterally through capacity building in Denmark's partner countries, and multilaterally through international organisations such as the OECD, the World Bank and the UN. The Government wants to ensure continued strong focus on the development of framework conditions as a prerequisite

for accelerating global investments in the green transition.

Investment partnerships between public and private actors, also called blended finance, can help improve opportunities to attract private investors and realise projects in emerging economies and developing countries – projects that would otherwise lack financing because large investments in unfamiliar markets are often considered high risk. Denmark is leading the way in the mobilisation of financing from institutional investors for developing countries. For example, the Investment Fund for Developing Countries (IFU) manages an investment fund to promote fulfilment of the SDGs, where private investors – primarily Danish pension funds



Text box

Climate Investment Coalition

The Climate Investment Coalition is working internationally to mobilise pension funds and private investors to increase their investments in green energy and climate solutions. The initiative stems from the 2019 UN Climate Summit, where Danish pension funds announced plans to make new green investments amounting to 350 billion DKK by 2030. The coalition is a collaboration between the Danish Government, Insurance & Pension Denmark, Institutional Investors Group on Climate Change (IIGCC) and World Climate Foundation.

– have pledged to contribute 60% of the fund's total capital of nearly 5 billion DKK. The fund can serve as inspiration for other areas and other countries.

It is particularly challenging to mobilise financing for the least developed and most vulnerable countries. This applies to investments for reducing greenhouse gas emissions and for climate adaptation. According to the UN, there is a need for 150-300 billion USD annually until 2050 for climate adaptation in developing countries. The Government wants to support private investment in the poorest developing countries and emerging economies. This requires new thinking in terms of alternative investments and new instruments that can supplement traditional development assistance.

Another obstacle to green investments in developing countries is a lack of projects that are ready for investment. Therefore, Denmark has taken the lead to establish Climate Investment Platform in collaboration with other multilateral actors. This initiative aims to connect investors with public authorities in developing countries to develop and expand climate projects to help make them ready for investment.

The multilateral development banks, which are a cornerstone in the mobilisation of investment and financing, account for about half of all climate financing for emerging economies and the least developed countries. Thus it is crucial to fully integrate the climate agenda with the traditional and important development focus of these development banks. The Government will work to promote and concretise the green ambitions in the development banks' strategies and across projects, with a focus on increasing investments in renewable energy, upscaling of energy efficiency and access to energy, phasing out investments and subsidies for fossil fuels, strengthening environmental focus – including circular economy, water and biodiversity – and climate financing for the poorest and most vulnerable countries. We will work to bring the development banks' ambitions and financing to the levels

of the European Investment Bank, which decided in 2019 to phase out fossil energy investments from the end of 2021.

The Government will also strengthen its efforts in the multilateral climate and environmental funds, with a particular focus on those established as part of the Climate Convention. The Government will actively engage in strategy development and the awarding of funds from the Green Climate Fund and the Global Environment Facility. Over the next four years (2020-2023) Denmark has the opportunity to directly influence the board of the world's largest climate fund, Green Climate Fund, to drive the global green transition forward with a focus on reduction and adaptation initiatives targeting the least developed countries and small island states.

The Government will ensure that Denmark contributes to the agreement to mobilise at least 100 billion USD annually in the period 2020-2025 from various sources, and we will work to ensure that the EU and the other developed nations do the same. It is especially important that the least developed countries receive a share of these funds. This will contribute to the vital aid to these countries, which are hardest hit by climate change, while also helping developing countries reduce their greenhouse gas emissions. Climate assistance to developing countries is a key element of the green transition in the poorest developing countries and meeting the goals of the Paris Agreement.

The Government will work to strengthen the efforts and commitment of ministries of finance to the green transition through the *Coalition of Finance Ministers for Climate Action*. This coalition brings together more than 50 ministers of finance from around the world and serves as a forum for sharing experience and tools for integrating climate considerations in economic and fiscal policy. Denmark will be particularly involved in sharing Danish experiences with integrating climate and green transition into the Ministry of Finance's economic models.

Strategic initiatives and efforts

- **The Government will** work to ensure that the European Commission makes ambitious proposals that support development, standardisation and acceleration of the markets for sustainable financing.
- **The Government will** support recommendations on how businesses and the financial sector can work with climate-related risks and opportunities through the Task Force for Climate-related Financial Disclosures.
- **The Government will** work to improve framework conditions for the green transition through bilateral and multilateral efforts.
- **The Government will** mobilise more private capital for sustainable investments through innovative financing instruments and public-private partnerships.
- **The Government will**, through active ownership of the Investment Fund for Developing Countries (IFU), create a clear green profile in IFU's investments.
- **The Government will** work to promote and concretise the green ambitions in the multilateral development banks' strategies and across projects.
- **The Government will** strengthen its engagement in the Green Climate Fund and the Global Environment Facility to increase climate financing and investments in sustainability for developing countries, including the most vulnerable countries.
- **The Government will** work for a greater international focus on ensuring adequate climate financing for climate adaptation in the poorest and most vulnerable countries, where market financing is difficult to obtain.
- **The Government will** work to strengthen the role and capacity of ministries of finance in relation to climate action through the Coalition of Finance Ministers for Climate Action, with a particular emphasis on sharing Danish experiences with integrating climate and the green transition into macroeconomic models.

We collaborate with the business community on green solutions that make a difference

In Denmark, we benefit from strong cooperation between public authorities and businesses. This is a great strength that we must value and uphold. A successful global climate effort must include businesses and ensure that Danish solutions deliver for Danes and people around the world.

Danish businesses have a deep-seated commitment to creating solutions that make a difference in the world. The COVID-19 crisis has shown how quickly we as a society and our businesses can mobilise and adapt, and that the private sector can play an important role in solving key societal challenges. The Danish economy and welfare both depend on exporting solutions to neighbouring markets, the EU and globally. We must maintain and expand the green positions of strength held by Danish businesses and increase exports for the benefit of the global green transition, and for the creation of green growth and green jobs in Denmark.

The public and private sectors must collaborate on concrete solutions

All areas of society must contribute in order to meet the global climate challenges. This includes collaborations between public authorities and private sector businesses. Therefore, in collaboration with Danish businesses, the Government has established 13 climate partnerships in different sectors that cover most of the Danish business community. The climate partnerships focus on how businesses and the Government can work together to solve climate

challenges in a way that also supports Danish competitiveness, exports, jobs, welfare and prosperity – without increasing inequality. Danish businesses hold great potential for contributing through their own green transitions, as well as through green imports and exports, and by inspiring others with their ambitions. It is therefore positive that the climate partnerships also have a significant international outlook and point to initiatives that will also have reduction effects outside Denmark's borders. It is a priority of the Government that Danish businesses translate this potential into action so that they can contribute to meeting the ambitions of the Paris Agreement.

We must export green solutions

Denmark is an export-oriented economy where GDP growth is largely driven by exports. We have the opportunity to make a difference globally if businesses change the way they engage in trade in the global market.

The green sector represents a position of strength for Danish businesses. With approximately 71,000 full-time workers and exports amounting to approximately



Text box

Climate partnerships with an international outlook

The climate partnerships have a significant international outlook and point to initiatives that will have reduction effects outside Denmark's borders. For example, the Climate Partnership for Trade points to the potential for global reductions by recycling textiles, greener diets and reducing food waste. The Climate Partnership for "The Blue Denmark" (maritime sector) points to the potential of upscaling big data and eliminating waiting times in ports around the world to reduce the energy consumption of existing ships and lower greenhouse gas emissions by approximately 48 million tonnes of CO₂.

65 billion DKK², this sector provides a basis for increased green growth in Denmark and contributions to the global green transition. Therefore, Danish businesses need favourable conditions for developing and exporting new green products and solutions, including access to export promotion initiatives and financing, as well as new incentives for research and development. The Government will work to ensure the spread of Danish businesses' green solutions through a focused export promotion initiative and by further strengthening green economic diplomacy.

Competition in the export markets is increasing as the market becomes more lucrative. Denmark remains the EU country with the highest export share of green goods. However, it is not a given that Denmark will maintain its leading position as a supplier of green solutions. Therefore, it is important that Danish

businesses follow and contribute to global technological developments so that Danish green solutions remain relevant in the global market. We must also address the barriers experienced by businesses when they export green goods and services, and improve the conditions under which businesses can carry out the necessary green transition. For example, by limiting tariffs on green goods and services, promoting green standards and relevant labelling schemes, ensuring better access to data for green transition, and creating opportunities for large-scale testing and demonstration of innovative solutions.

The positions of strength held by Danish businesses can help push for changes to global regulations and spread solutions globally. It is essential that we expand and maintain Danish positions of strength to reduce emissions from global industries.



Text box

We must take full advantage of our green positions of strength

With the world's fifth largest merchant fleet measured by operated tonnage and as the world's seventh largest exporter of green maritime technologies, Denmark has a unique opportunity to influence the global rules for shipping. It is important to expand and maintain Danish positions of strength in energy efficiency and green fuels for maritime shipping, thus reducing emissions from a sector where a large share of Danish emissions occur outside of Denmark's borders.

We must adapt and develop new green solutions

The Government's ambitions must motivate businesses to work for a more climate-friendly world.

The Government wants to promote the establishment of new green growth businesses and Denmark as a workshop for the development of new green technologies. With the 2020 climate agreement on energy and industry, there is broad political support for Denmark taking the global lead in renewable energy and ensuring an ambitious green transition of industry.³ Denmark is facing an ambitious expansion of green energy and a significant investment in green technologies of the future, including carbon capture and Power-to-X. Denmark has entered into a partnership with the Netherlands, which will finance a subsidy scheme for Power-to-X plants with at least 750 million DKK. The collaboration will help to collect experiences with large-scale production of green fuels for transport and industry, and strengthen international cooperation in the Power-to-X sector. The UN's Intergovernmental Panel on Climate Change estimates that capture and storage are necessary to meet the goals of the Paris Agreement. These technologies will contribute to a reduction of greenhouse gas emissions, including in sectors where it is currently difficult or not

possible to reduce emissions. The expanded use of these technologies can also make a positive impact globally. We must seize this opportunity and engage in partnerships to spread these new technologies in the EU and globally.

We must collect knowledge and investments for Denmark's green transition

Denmark is leading the way with an ambitious national green transition, and we can make great strides with established technologies and instruments. But there is also a need to develop technologies through cooperation with other countries and the international business community to attract knowledge, innovation and investments from other countries, businesses and actors. This can contribute to our domestic efforts to reduce greenhouse gas emissions by 70% by 2030 and the goal of climate neutrality by 2050. The Government will work to attract green investments to Denmark and engage in international collaborations on innovation and research, which can strengthen the role of Danish knowledge institutions and accelerate the development of new green technologies that can contribute to maintaining Danish positions of strength. Intensified climate diplomacy efforts can also contribute to these efforts.

² Eurostat and calculations by the Ministry for Industry, Business and Financial Affairs (2017 figures).

³ 2020 Climate Agreement on Energy and Industry etc. from 22 June 2020.

(available in Danish <https://fm.dk/media/18085/klimaaf tale-for-energi-og-industri-mv-2020.pdf>)

Strategic initiatives and efforts

- **The Government will** strengthen green economic diplomacy and promote exports of green solutions.
- **The Government will** work to attract more green investments to Denmark.
- **The Government will** contribute to helping Danish businesses develop and re-establish themselves in export markets after the COVID-19 crisis, with a particular focus on sustainable and green exports.
- **The Government will**, across all public authorities and through the 13 climate partnerships, cooperate with the Danish business community to create larger and more attractive markets for Danish solutions.
- **The Government will** work to strengthen the framework conditions nationally, in and through the EU, and multilaterally to ensure that businesses can carry out the necessary green transition and spread green solutions.
- **The Government will** closely follow efforts with European industrial alliances and actively join the European Clean Hydrogen Alliance to push it in a green direction and pave the way for Danish businesses to be part of tomorrow's green European value chains.
- **The Government will** collaborate with businesses and international actors to create green ecosystems and develop new green solutions and fuels.
- **The Government will** spread Danish green solutions through Denmark's Green Future Fund and, more broadly, strengthen the development of future green positions of strength and innovation.
- **The Government will** work to increase collaboration in research and technology development and to attract knowledge, experience and solutions to Denmark, including via the Danish innovation centres and Strategic Sector Cooperation. A key aim of these efforts will be to support the Government's priorities in the Green Research Strategy.

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