As autonomous territories, Kingdom of Denmark’s Arctic territories of Greenland and the Faroe Islands will not be affected by Denmark’s national stimulus measures. Greenland’s three stimulus packages, worth US$87.6 million, prioritize employment and support tourism, fisheries and industry without green measures or considerations. Similarly, three Faroese stimulus packages prioritize employment, support for tourism and culture, and companies with lost income.

All values for this study refer to Greenland stimulus measures. A qualitative analysis was done for the Faroe Islands as a comprehensive monetary analysis and comparison was not possible.

Greenness of Stimulus (GSI) scores indicate countries’ net impacts on climate and the environment due to COVID-19 stimulus measures.
Denmark implemented a total of US$36.1 billion in stimulus measure (10% of national GDP), of which 26.8% were green. These green measures drive the country’s high national GSI score. However, none of these funds are slated to be spent in its Arctic regions.

- Denmark’s US$5 billion Green Technologies of the Future Strategy, VI green policies from the Finance Act for 2021, VII and environmental conditions attached to the recapitalization of Scandinavian Airlines (SAS) make the country a leader in the green economic recovery.

- Denmark’s stimulus packages feature employment measures and support for small- to medium-sized enterprises (SMEs) and tourism through its Job Retention Scheme (US$960 million), Travel Guarantee Fund (US$360 million) and summer fiscal package for tourism and transportation (US$112 million) as well as loan guarantee schemes for SMEs and large firms. VIII

**GREENLAND**

- Greenland is supporting SMEs through an Emergency Package and General Package. The Emergency Package includes two unconditional packages for the tourism industry as well as an Activity package and a Mobility Package. IX

- State guarantee schemes also cover Greenlandic SMEs and larger companies, along with Greenland’s unconditional support for the government-owned Air Greenland. IX As of 2 June 2020, Air Greenland had received US$14.15 million from the National Treasury to fund emergency flights and tickets for critical staff and to transport test results. XI

- Greenland also provided unconditional support for its fishing sector by offering subsidies to compensate for losses that resulted from reduced purchasing prices. Xii

- Given that the government in Greenland is Inuit, there is no division between the Indigenous Peoples and the Greenlandic government. Xiii

**FAROE ISLANDS**

- The Faroe Islands reimbursed wages and supported the unemployed with its stimulus packages. Support for SMEs improves their liquidity, postpones VAT payments and provides state guarantees. XIV XV
The Faroe Islands will provide income support for tourism and culture but there are no green strings attached. Construction, fisheries and households experienced relatively small impacts from COVID-19.xvi xvii xviii

Figure 2 shows the stimulus measures announced in the Kingdom of Denmark (both environmentally positive and negative) and the sectors into which the stimulus money will flow.

### Figure 1: Policy measures announced in the Kingdom of Denmark, split by environmentally relevant sectors

<table>
<thead>
<tr>
<th>POLICY MEASURE</th>
<th>AGRICULTURE &amp; LAND USE</th>
<th>ENERGY</th>
<th>INDUSTRY</th>
<th>TRANSPORT</th>
<th>WASTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bailouts with green strings attached</td>
<td>-</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
<td>-</td>
</tr>
<tr>
<td>Green infrastructure investments</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>-</td>
</tr>
<tr>
<td>Green R&amp;D subsidies</td>
<td>-</td>
<td>-</td>
<td>✓</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Subsidies or tax reductions for green products</td>
<td>N/A</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nature-based solutions</td>
<td>✓</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Conservation and wildlife protection programmes</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Subsidies for environmentally harmful activities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Environmentally harmful infrastructure investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deregulation of environmental standards</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Environmentally related bailouts without green strings</td>
<td>*</td>
<td>-</td>
<td>X*</td>
<td>X*</td>
<td>-</td>
</tr>
<tr>
<td>Subsidies or tax reductions for environmentally harmful products</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Note:** The 🌿 indicates policies that the governments of Greenland and/or Faroe Islands implemented. Checkmarks and x’s denote policies that the Government of Denmark implemented.
Mainland Denmark implemented many green stimulus measures, but they will not create green jobs in the Arctic. Greenland and the Faroe Islands did not implement policies that would create green jobs in the Arctic.

Denmark’s funding for carbon capture and storage, electrification, energy efficiency, public transportation, a green transition and a circular economy will create a significant number of green jobs. However, in connection with the delegation of power and decisions on stimulus being taken by the Greenlandic and Faroese governments, none of these would feature in Denmark’s Arctic regions.

To create more green jobs in the Arctic, Greenland and the Faroe Islands could implement policies that have high potential to create jobs, including funding for sustainable tourism and support for a green transition of the fishing and transport industry.

A full overview of the report’s findings, methodology and additional country profiles can be viewed online here.
Endnotes:

i Stakeholder interviews

ii This report uses an exchange rate of 1 DKK to 0.16 US$.

iii For more information on the definition of “Arctic” and the underlying methodology for this work, please see the Methodology.

iv The Greenness of Stimulus Index (GSI) is constructed by combining the flow of stimulus into five key sectors (agriculture and land use, energy, industry, waste and transport) with an indicator of each sector’s environmental impact; this impact captures both historical trends and specific measures taken under the country’s stimulus.


xiii Stakeholder interviews.


xv Danish High Commissioner of the Faroe Islands, Report to the Danish Parliament No. 2/2020 (May 2020). https://www.ft.dk/samling/20191/almdel/F%C3%86U/bilag/19/218082/index.htm

xvi Danish High Commissioner of the Faroe Islands to the Danish Parliament No. 3/2020 (June 2020). https://www.ft.dk/samling/20191/almdel/F%C3%86U/bilag/22/2212885/index.htm

xvii Danish High Commissioner of the Faroe Islands, Report to the Danish Parliament No. 6/2020 (December 2020). https://www.ft.dk/samling/20201/almdel/P%C3%86U/bilag/22/2207221/pdf


xix Stakeholder interviews.

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