

Developments in International Cooperation in a Changing Arctic

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Three main factors determine the current situation in the Arctic.

Firstly, the end of military and political confrontation of the Cold War, when the Arctic was nearly exclusively perceived as the area of flight trajectories of strategic nuclear missiles and strategic bombers, routes of navigation of strategic submarines. Now the risk of nuclear conflict is eliminated, strategic arms are being reduced, the new Russian-American START III Treaty has entered into force and is being implemented, consultations on strategic missile defense are under way. Expansion of bilateral and multilateral cooperation is becoming the prevailing feature of the situation in the Arctic.

Secondly, the rapid development of technology, reminded to all by the planting of the Russian flag in the North Pole point on the bottom of the Arctic Ocean in 2007.

Thirdly, climate change and fast thawing of the Arctic ice. According to the latest fundamental research of the Earth cryosphere, carried out by the Arctic Council with participation of the Russian scientists, there is a high probability of the Arctic Ocean becoming totally ice-free in summer in this century, more so, it might occur for the first time within the next 30-40 years.

These three factors combined are bringing significant change to the situation in the Arctic. New challenges and opportunities emerge. The Arctic natural and

mineral resources, as well as sea shipping routes, become more accessible, both in a direct and an indirect sense. Obviously, this draws attention of the Arctic and non-Arctic states.

In 2008, Russia was the first Arctic state to adopt a long-term Arctic strategy in response to the new realities. At that time, the four Russian national interests were clearly formulated:

- 1) using the Arctic resources to provide social and economic advancement of the country;
- 2) sustaining the Arctic as a zone of peace, stability and cooperation;
- 3) protecting fragile Arctic ecosystems as well as the indigenous peoples of the North;
- 4) exploiting the advantages of the North Sea Route – the national transportation artery of Russia.

All other Arctic states have followed Russia's example by adopting their own Arctic strategies. Denmark was the last to do so in August 2011. With all the national specifics of these strategies, they have a lot in common in substantial aspects, namely:

- advance of national sovereignty in the Arctic;
- striving to find a reasonable combination of economic development of the North with protection of environment and support of indigenous peoples;
- understanding of the need of state support of the Northern regions;
- intention to do more intensive scientific research of environmental, climatic, physical and other processes and changes in the Arctic in order to understand better and take note of them in practical activities of the states.

However, the key common point in all our strategies, without exclusions, is the statement that national interests of each Arctic state can be met in full only through diverse and multi-format cooperation with other Arctic partners. In this I see an explanation of the very positive developments in the Far North so far, and also a solid foundation for further expansion and deepening of the states' cooperation.

On the whole, the situation in the Arctic is positive, stable and predictable. There are no problems among the Arctic states which could – even theoretically - require military solution. There is no need for the presence in the Arctic of military and political blocs. All the regional problems are being solved and will be solved in a civilized way, on the basis of existing and sufficient international law and the spirit of good will.

No doubt, Russia is carefully monitoring developments in the Arctic and is not intending to simplify them. Nevertheless, it would be unjustified exaggeration to talk about alleged processes of its “militarization” (here, conventional, not strategic weapons are usually implied). Indeed, in one way or the other, all Arctic states are paying attention to strengthening their forces and facilities in the Arctic. However, to a certain extent, this is a natural, understandable, limited, non-destabilizing process. And not a threat to each other. With the increase of human presence and economic activity in the Arctic, as well as the emergence of new risks and challenges, the Arctic states should avail themselves of the possibility to protect their sovereignty (“opening” of the northern borders of the Arctic coastal states, which have been previously securely protected by ice, which now is thawing so fast; an oil rig in the Arctic Ocean – a most attractive target for terrorists; safety and security of the increased navigation in the Arctic Ocean; search and rescue). I believe that in these conditions we should strengthen measures of confidence building and trust in the military area among the Arctic states. The initial steps have already been taken here. And maybe one of the most

underrated but in fact most important event in the Arctic in 2012 was the first ever meeting in April of the chiefs of staff of all 8 Arctic states in Goose Bay, Canada. Our military chiefs have decided from now on to meet regularly and extend assistance in possible search and rescue operations. A good beginning, indeed.

Unfortunately, despite the fact that life constantly proves the contrary, we still meet different assessments at various conferences and in the media, from time to time. For example, an assessment that the conflicts of interests or even wars are inevitable, in the rush for the Arctic resources, or while resolving the issues of continental shelf expansion in the Arctic Ocean. In other words, the Arctic is portrayed by some as a potential threat to the security of other regions, for example, Europe. To my mind, here we are dealing with either a lack of knowledge of the realities, or with their deliberate distortion and attempts to “catch a fish in murky waters”.

In fact, the Arctic resources have largely been divided already. According to the estimates of our Danish colleagues, 95-97 per cent of the discovered and potential resources of the Arctic are located within the zones of sovereignty, sovereign rights and jurisdiction of the Arctic states – or in their EEZs. In other words, there is nothing to divide in the Arctic. There is no ground for conflict. Naturally, if you don't change the accepted “rules of the game”, i.e. norms of international law. But from time to time, the proposals for a new “comprehensive” Arctic treaty (similar to the Antarctic Treaty) or some new agreements are thrown to us with a view to change these “rules of the game”. We should watch out for that.

As to remaining or potential issues of delimitation between the Arctic states, practice suggests that they can and will be solved in a calm, professional manner. The five Arctic coastal states' first ministerial meeting in Ilulissat in May 2008 reached an agreement that all possible overlapping claims in the Arctic Oceans

shall be resolved in an orderly way, by negotiations, on the basis of existing and sufficient norms of international law, which is of great significance. This agreement is abided by everyone. Norway became the first Arctic state to have its submission on extended limits of its continental shelf approved in 2009 by the UN Commission on the limits of the continental shelf. No conflict, done by provision of the required scientific arguments and in quiet professional dialogue with its neighbors, including Russia. As all Arctic coastal states, in substantiation of the existent and future claims on the extended limits of their continental shelf, have to prove one and the same scientific thing (namely, that continental shelf geologically is the continuation/extension of the continent) and the UN Commission simply does not consider overlapping claims, theoretically possible problems here is a factor that brings countries together, rather than divides them. Not accidentally, the A5 states regularly consult each other on these issues.

Another good example is the recent Russian-Norwegian Treaty on maritime delimitation and cooperation in the Barents Sea and the Arctic Ocean that is the product of forty years of negotiations. The treaty has not only a bilateral, but also an obvious significant regional dimension, setting yet another precedent of civilized solution of existing Arctic issues and establishing additional prerequisites for strengthening trust and cooperation in the Arctic. No doubt, all other remaining issues will be solved as successfully and constructively by the Arctic states themselves, without outside assistance.

Recently, practical cooperation among the Arctic states has been developing very fast. Our cooperation is excellent. But, we are still taking only the first steps here and the potential of our cooperation in the Arctic is enormous.

Just to mention the areas where our cooperation is relatively advanced. These are, first of all, scientific observation, research and analysis; study of the drivers and consequences of the climate change; mitigation of and adaptation to

climate change; conservation of environment; protection of biodiversity; elimination of sources of environmental contaminants; support of indigenous peoples of the North, sustaining their culture, traditions and lifestyle; prevention of and fighting emergencies and man-made technical catastrophes; health care; oil & gas exploration and development; regional cooperation; sustainable development; education.

The future areas of cooperation in the Arctic are obvious.

“Opening up” of the North Sea Route (NSR) and the major new opportunities resulting from that. In a sense, we are witnessing the future becoming today. This year we have established a record in total volume of cargo which transited the NSR – more than 1 million tons and also a record of the longest open navigation season. Last year, we had a record in numbers of transit crossings – 41 compared with 10 in 2010. Plus the records of the shortest time for crossing the Arctic Ocean and the most northern bound line of the NSR used. Russia expects its revenues from the NSR to be second only to oil and gas in the Arctic. The Russian Government has adopted the plans to finance construction of three new nuclear and six new diesel ice-breakers by 2020. The first new nuclear ice-breaker construction started in St. Petersburg 3 weeks ago, with delivery planned for 2017. By 2015, ten modern Search & Rescue Monitoring and Coordination Centers will be established evenly along the NSR. Other elements of infrastructure – ports, navigation, communication, security – will be restored, modernized or newly built. The Russian State Duma has adopted a new law on the NSR that will reestablish the NSR State Administration and normalize NSR transit fees. New navigation regulations are being prepared by our Ministry of Transport. “Opening up” of the NSR may become a major boost to development of the Arctic regions of Russia and to the increase of international shipping in the High North.

Oil and gas development in the Arctic is also entering a stage of practical deeds. Shell has started drilling for oil in the Chukchi Sea north of Alaska. Gazpromneftshelf has already brought an oil platform to the Prirazlomnoye oil field in the Pechora Sea and is preparing to start industrial drilling. The investment decision on Shtockman gas condensate field in the Barents Sea is awaited by the end of the year. The recent large-scale cooperation agreement between Rosneft and Exxon Mobil was yet another sign of the seriousness of intentions from major players in the market. Evidently, oil and gas related activities are one of the key areas of international cooperation in the Arctic.

The Arctic is becoming an essential source of new business opportunities. You can smell it in the atmosphere of various international meetings. I believe that the Arctic Council could play a more active role in helping direct business contacts in the Arctic region, for example through the initiation of the Arctic Business Council. The Murmansk Arctic Economic Forum – there were already three sessions in 2009-2011 – has clearly shown the high demand for assistance to direct business ties between the Arctic regions and companies. In this context, the initiative to hold “Expo Arctic 2015” in Salehard looks very promising and attracts great interest of our partners.

It was noted at the Arkhangelsk forum that all Russian plans of development of the Arctic should be implemented on the basis of the strictest environmental standards. We can achieve true progress only if we strike the right and long-term balance between business interests and the need to protect fragile Arctic ecosystems. This is yet another vast sphere of international cooperation in the Arctic.

We need more coordinated, systematic and long-term research of physical, climate and other changes in the Arctic in order to understand them better, to be able to foresee the future changes and their consequences and to take the right

decisions. Here, we have already carried out many fundamental projects in the Arctic Council and are launching or continuing new ones. In this context we hope to have a wide international scientific cooperation within the framework of the International Polar Decade 2015/2025, initiated by Russia.

Among other potential fields of the Arctic cooperation, we should note innovations and specific “Arctic” technologies, energy, energy efficiency, communications, prevention of and reaction to man-made catastrophes, navigation, outer space, cross-polar aviation, culture, tourism, education and many others.

A lot is being done on the bilateral basis. Russia, for example, is actively cooperating with Norway, Canada, Finland and other Arctic partners. At the same time, multilateral cooperation is expanding as well. There are more than 80 various projects currently under way in the Arctic Council. Already 16 thematic working groups function in the Barents/Euro-Arctic Council. The activities of the A5 have grown considerably. The initial Northern Dimension cooperation projects emerge in the North of Europe.

With all the diversity of formats of multilateral cooperation in the Arctic, its’ key and central institution – and this is reflected in all Arctic strategies of the Arctic states – is the Arctic Council. The cooperation in other formats, as it has been proven by practice neither weakens nor undermines the Arctic Council. Its actual role and authority grows steadily. But the Council, on its part, does not overwhelm other forms of cooperation. And, again, our cooperation in the Arctic Council is excellent.

The Arctic Council – according to its basic documents – is yet a “forum”, although a “high-level intergovernmental forum”. The rapid expansion of Arctic cooperation has entailed the need for strengthening of the Arctic Council. We began to think about it under the previous, very productive, Danish chairmanship of the Arctic Council in 2009-2011, and took initial decisions at its Ministerial in

Nuuk, Greenland, on 12 May, 2011. It was a package of measures to strengthen the Council by establishing its standing Secretariat with its own budget in Tromsø, Norway, and by gradually making the Council's recommendations more binding. We have already prepared inauguration documents for the Secretariat and chosen its first director. The first ever collective foundation of the Council – Project Support Instrument – has been established to finance, or rather co-finance, the projects of elimination of the environmental “hot spots” in the Arctic, primarily in Russia. In October 2011, Russia signed an agreement on its initial installment of 10 million Euros to this Instrument. The Instrument is, inter alia, a strong support to Russia's efforts in carrying out the task of “spring-cleaning” the Russian Arctic put forward by Prime-Minister V.V.Putin.

After two years of negotiations under the aegis of the Arctic Council and under the co-chairmanship of Russia and the US, the first legally binding pan-Arctic document in history – the Agreement on Cooperation in Aeronautical and Maritime Search and Rescue in the Arctic – was elaborated and signed in Nuuk. This is a milestone both for the Arctic and the Arctic Council. The Agreement is aimed at raising the speed and efficiency of help to people in distress. It will assist in the further exploration of the Arctic. It shows the ability of the Arctic states to agree among themselves. And by elaborating this kind of documents, we intend to make the recommendations of the Council more binding.

In accordance with the Nuuk decisions, the negotiations have started in October 2011 in the special Task Force of the Council to work out a new pan-Arctic instrument – on cooperation in preparedness and response to marine oil spills in the Arctic. Bearing in mind the great environmental and economic importance of this matter, these negotiations will, undoubtedly, be the central project of the Arctic Council in 2011-2013.

In my view, we have embarked on the path leading to the transformation of the Arctic Council from a “forum” to a full-fledged international organization, although we shall have to move gradually, step-by-step, with full respect to the positions of all member states – after all, every decision of the Council is taken by consensus.

We are looking forward to the approaching North American chairmanship of the Arctic Council in 2013-2017 with interest, new hopes and high expectations.

One more decision strengthening the Arctic Council has been taken in Nuuk. The agreed provisions, regulating the role of observers in the Council and concrete criteria of admittance of new observers, were approved. Thus, we have managed to strike the right balance between the preservation of the regional identity of the Arctic Council, on the one hand, and extension of interaction with non-arctic states and organizations, on the other.

The increase of interest in the world to the Arctic with its resources and transportation advantages is quite natural. The EU has adopted its own Arctic strategy, South Korea is building its first ice-breaker, China – already the second, and Japan’s Ministry of Foreign Affairs has established a working group on the Arctic composed of 20 diplomats. The Cold Arctic becomes the hot subject-matter of many international conferences. Now the number of observers in the Arctic Council is threefold that of the member states, and even fourfold - if we add those on the “waiting list” to obtain the observer status.

As the result of extensive work, the Arctic Council member states managed, without offending non-regional states, to preserve the principle according to which all substantive decisions on the Arctic will be taken by the Arctic states themselves, and the observers and observer status applicants will respect and observe sovereignty, sovereign rights and jurisdiction of the Arctic states in the Arctic. It is essential that the observer status will cease to be “eternal” and once

every four years the Arctic Council will review the practical contribution of observers to the Council activities.

No one, of course, is going to extremes, to a sort of “the Arctic isolationism”. The Arctic states are very clearly interested in the development of mutually rewarding cooperation in the Arctic with non-regional players. Russia, for instance, is strongly interested in the full use of the transit potential of the North Sea Route, and the major cargo traffic of such transit is the line connecting West Europe and East Asia. Putting forward the initiative of the International Polar Initiative, Russia expects that scientists not only from the Arctic states will actively participate in the IPI, as it was the case with the IPY 2007/2008. While exploring the Arctic’s hydrocarbon resources, Russia cooperates with French, British, Dutch, German and other companies, i.e. with those who are capable of being our full partner, from the standpoint of technological and financial capabilities.

But, all the key “rules of the game” in the Arctic are to be set by the Arctic states themselves. Only they can finally determine which issues are to be addressed at the national level, which – at the regional level, and where a wide international cooperation and interaction is possible and effective. The Arctic is an integral part of Russia and other Arctic states. The Arctic is not a “lifeless wilderness”. It is a place where citizens of the sovereign states live, including indigenous peoples with their own traditions and lifestyle; a place where national laws operate and where numerous international conventions and treaties apply. Attempts to pretend that someone else outside the region cares more about the Arctic and knows the Arctic better than the Arctic countries themselves, are naïve and futile. We do not have a global task of “strengthening the multilateral governance of the Arctic” standing in front of us, but we are in favor of expansion of international cooperation in the Arctic, first of all between the Arctic states. The Arctic is not another “Middle East” or a “gunpowder barrel” of the world. The Arctic states have already proven their high responsibility for the state of affairs in the Arctic and the capability to

agree on most serious issues. The future of the Arctic is peace, sustainable development, cooperation.