The EU and the Arctic: Competing Priorities

The European Union aims for the protection of the Arctic environment and population, sustainable use of resources, and promotion of multilateral governance in the region. The major Arctic powers share the first two goals, at least in word. However, most are sceptical about multilateral initiatives that may limit their claims over resource-rich areas. Such scepticism, along with Canadian opposition to an EU seal product ban, impeded the EU’s aspiration for observer status at the Arctic Council.

The EU’s nascent Arctic policy faces a challenge in reconciling the competing priorities not only of Arctic governments but also of various stakeholders and interest groups. Despite contradictory pressures, all Arctic states have expressed a will to cooperate and settle disputes peacefully.

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A strategic region

Occupying more than a sixth of the Earth’s surface, the Arctic is believed to contain over 22% of the world’s remaining extractable oil and gas reserves. Climate change is turning the Arctic into a focal point for conflicting environmental, commercial and geostrategic interests. Navigable waterways cleared by melting sea ice are reigniting old disputes about maritime borders, and sparking new ones about the exploitation of energy resources and fish stocks.

Longer ice-free periods will facilitate commercial traffic. This may, in turn, further contribute to the melting of Arctic ice. However, in the short run, economic development is likely to be constrained by the financial crisis and technological difficulties of extracting and transporting Arctic hydrocarbons. In the long term, the Arctic may help to diversify Europe’s energy sources, and shorten sea routes to Asia.
International cooperation

The United Nations Convention on the Law of the Sea (UNCLOS), concluded in 1982 and in force since 1994, governs the Arctic. All Arctic states have signed UNCLOS, but the US Congress has not yet ratified it. Within 10 years of joining UNCLOS, a country may submit scientific proof that its continental shelf extends beyond 200 nautical miles from its shoreline, earning the right to exploit resources in the area. Several Arctic countries undertook expeditions in search of such evidence, claiming areas that sometimes overlap. An example is the underwater Lomonosov ridge, claimed by Canada, Denmark and Russia.

Russia was the first to stake its Arctic claim in 2001 but the evidence was deemed insufficient; it must re-apply by 2011. Moscow has warned that it will withdraw from UNCLOS if its rights are not recognised. Norway applied in 2006, while Canada has until 2013, and Denmark until 2014.

As the UN lacks the capacity to administer the complex partition of the Arctic Ocean’s outer continental shelf, some have suggested the creation of a new institution. Others prefer to bolster the existing UN Commission on the Limits of the Continental Shelf. Critics of the current UNCLOS regime argue that it is ambiguous and lacks transparency. Member states do not have access to the full justification submitted by others.

Since 1996, the eight-member Arctic Council has served as a forum for intergovernmental cooperation, mostly on environmental issues. A number of states and organisations sit as permanent observers, while indigenous groups are “permanent participants”. Some member countries prefer not to expand the Council’s membership or mandate. In April 2009, Arctic Council ministers decided in Tromsø, Norway to suspend indefinitely the European Union’s application for observer status because of EU plans to ban seal products. The application will not be reconsidered before the next full ministerial meeting of the Arctic Council in April 2011. The Tromsø meeting also dealt with the following issues:

- Search and rescue
- Shipping guidelines
- Infrastructure safety
- Oil and gas exploration guidelines
- Non-CO₂ drivers of climate change
- Best practices in ocean management
- Human health and human development
- Contaminants and biodiversity
- “Continue discussing” role of observers

The Barents Euro-Arctic Council, launched in 1993 to promote sustainable development, comprises Denmark, Finland, Iceland, Norway, Russia, Sweden and the European Commission. It also has an interregional dimension and a working group of indigenous peoples. In November 2009, Sweden took over the rotating chairmanship from Russia for two years.

National strategies

Policy documents recently adopted by the Arctic Five commit them to cooperate, protect the local habitat, and extract resources responsibly. However, the documents also reveal tensions that might escalate in future, pitting stakeholders against each other. Those include environmentalists, animal rights campaigners,
indigenous peoples, military strategists, private businesses, and politicians courting domestic popularity with a belligerent posture. The main fault-line lies between Russia and the remaining four of the Arctic Five, which all belong to NATO. However, these four also have unresolved disputes amongst themselves.

Canada's "Northern Strategy" combines existing and new policies. It envisions military and surveillance operations to assert sovereignty over areas such as the Northwest Passage, which Ottawa – but not Washington – considers as Canadian territorial waters. Regarding the environment, the strategy provides generous funding for research but relatively little regulatory action. To address economic and social challenges (such as unemployment and inadequate housing), the government launched FedNor, a development agency for the North. Additional funding is earmarked for social housing and broadband service to isolated communities. Ottawa will also issue 1.8 billion Canadian dollars in offshore gas and oil exploration licences in the Beaufort Sea. Canada seeks to play a leading role in the Arctic Council which it regards as the optimal forum for cooperation.

Domestic and foreign critics claim that the strategy concentrates excessively on military and sovereignty aspects, to the detriment of the North's ecological and developmental needs. However, the minority government's assertions of sovereignty appeal to Conservative constituents in southern Canada. In May 2008, Denmark's foreign ministry and Greenland's home rule government proposed a joint strategy for "the Arctic at a time of transition", seeking to avoid confrontation and to promote regional cooperation. In the same month, Denmark hosted a summit at Ilulissat, Greenland, where the Arctic Five agreed to resolve overlapping UNCLOS claims in an orderly manner. Iceland and other countries expressed concern at not being invited.

The introduction of self-rule in July 2009 granted Greenlanders control over their natural resources and even the option of full independence. However, that option is unlikely to be exercised as the island relies on Copenhagen for diplomacy and defence.

In March 2009, Norway updated its High North Strategy, drafted in 2006 and based on three principles: presence, activity and knowledge. Norway called for closer partnership, especially with Russia, on resource extraction, environmental management and research, while protecting the culture and livelihood of indigenous peoples. At the same time, the strategy asserted Norway's Arctic sovereignty. In August 2009, Norway moved its military command headquarters to Bodø, north of the Arctic Circle. In January 2010, Oslo's new defence minister pledged to uphold sovereignty and exercise authority in the Arctic.

Russia's National Security Strategy until 2020, unveiled in May 2009, warns of potential future armed conflict over energy resources, and states that Russia will defend its access to such resources in the Arctic. To
that end, Russia plans to establish an Arctic coast guard and train relevant army units. At the same time, like the September 2008 Arctic strategy, the document also calls for international cooperation.

Moscow established a 1.5 million hectare park on the northern part of Novaya Zemlya, an island between the Barents and Kara Seas, to protect local wildlife. The global economic crisis may delay Russia's Arctic ambitions, including exploitation of the Shokman gas field under the Barents Sea, and other costly, infrastructure-heavy projects. Nonetheless, the Arctic remains important for Moscow, as indicated by the 2007 planting of a Russian flag on the seabed at the North Pole, to domestic acclaim and international consternation.

In August 2009, the United States adopted an Arctic Fishery Management Plan which prohibits commercial fishing in US waters in the Chukchi and Beaufort seas until more information becomes available to support sustainable fisheries management. Seven months earlier, the outgoing Bush administration adopted a National Security and Homeland Security Presidential Directive on Arctic Region Policy, the first review since 1994. According to the directive, the US has "broad and fundamental national security interests in the Arctic region and is prepared to operate either independently or in conjunction with other states to safeguard these interests". At the same time, the US is committed to environmentally sustainable management of natural resources, stronger institutions for cooperation among Arctic countries, and participation by indigenous communities in decisions that affect them.

Commission's Communication

In November 2008, the European Commission issued a Communication on the European Union and the Arctic Region. It proposed that EU Member States and institutions develop a holistic and systematic approach, aiming at three objectives:

- Protecting and preserving the Arctic in unison with its population,
- Promoting sustainable use of resources,
- Contributing to enhanced Arctic multilateral governance.

The latter goal appeared the most ambitious, in light of increasing competition among regional powers over their sovereign

Background for EU engagement

The EU is a relative newcomer to Arctic geopolitics but it has strong historical links to the region. Member states Denmark, Finland and Sweden sit on the Arctic Council. Iceland has applied to join the EU and participates, along with Norway, in the European Economic Area. The remaining Arctic countries – Canada, Russia and the United States – are "strategic partners" of the EU.

The EU's environmental, maritime and research policies have a bearing on the Arctic. Since 1999, the 'Arctic window' has been a priority in the Northern Dimension. As part of the Northern Dimension environmental partnership, the EU financed the cleanup of nuclear waste in the Kola Peninsula. The Fifth and Sixth Research Framework Programmes earmarked over €200 million for polar-related research, contributing to the International Polar Year (2007-2008). The current Seventh Framework Programme also funds Arctic research projects.

In addition, the Kolarctic programme supports cross-border cooperation between EU, Norwegian and Russian regions, financed by the European Neighbourhood Policy Instrument.
Canada sees no need for additional initiatives to extend multilateral governance in the Arctic. The Arctic Council signalled its reluctance by not endorsing the Commission’s bid for permanent observer status.

Within the EU, the Council backed the Commission’s proposals as a first layer of an EU Arctic policy. It asked the Commission to submit a progress report by June 2011.

Since developments in the Arctic have global impact, an argument can be made for an inclusive and long-term approach to Arctic governance, beyond the narrow interests of coastal states. However, the Communication did not provide – as suggested by the EP – "options for a future cross-border political or legal structure" to ensure sustainable development and mediate political disputes. Neither did the Commission pursue Parliament’s proposal for an Arctic treaty. As Commissioner Ferrero-Waldner told the EP, none of the Arctic Five favours a binding legal regime specifically designed for the Arctic.

Parliamentary role

Since the 1980s, the EP has advocated banning the import of seal pup skin products and furs from countries that allow leghold traps. More recently, Parliament has also pressed for a ban on the import of seal skins and products. Such initiatives, while largely popular within the EU, met with disapproval from Arctic countries and communities – despite clauses exempting indigenous hunting.

The EP has permanent seats in the Nordic Council, the Conference of Parliamentarians of the Arctic Region and the Baltic Sea Parliamentary Conference.

MEPs brought the Arctic to the EU’s agenda by adopting resolutions and addressing questions to the Commission, urging it to take an active role in the Arctic. Parliament has championed the rights of indigenous Arctic inhabitants, pressed for more active EU participation in regional bodies, and called for a charter for Arctic governance.

Parliamentarians discuss Arctic questions in the Nordic Council, and in the Standing Committee of Parliamentarians of the Arctic Region (SCPAR), which organizes a bi-annual Arctic Parliamentary Conference. SCPAR comprises MPs from seven Arctic countries and the European Parliament. The EP will host the next conference in September 2010.

In April 2009, Parliament postponed a resolution calling for a 50-year moratorium on the extraction of Arctic oil and gas.

Opportunities and challenges for the EU

Increasingly accessible Arctic gas and oil may enable the EU to diversify its energy sources and reduce its dependence on supplies from Russia. However, in addition to environmental challenges, further exploration of gas deposits under the Barents Sea may aggravate Norway’s border dispute with Russia.

Receding ice promises to shorten maritime distances between Europe and northeast...
Asia by over 40 percent, circumventing the piracy-ridden Gulf of Aden. In the summer of 2009, two commercial ships travelled from Vladivostok to Rotterdam though the Northern Sea unaided by icebreakers. However, regular passage may be hampered by the expense of building ice-capable ships, the unstable navigability of new routes, high insurance premiums, and lack of local harbour facilities.

While there is increasing recognition of the need for an EU Arctic policy, its implementation is likely to face obstacles. One analyst has noted that to turn a potentially vicious spiral of confrontation into a virtuous cycle, policymakers should engage in security cooperation, build confidence, develop common procedures, refrain from provocative statements, and resist “self-interested” pressure groups. Proponents of a more substantial EU Arctic policy would have to persuade Member States, even those geographically removed, to accept the financial implications. In addition, the Arctic Five would need to be convinced of the rationale for greater EU involvement. According to one observer, focusing on the environment may be the most palatable way for the EU to gain political foothold in Arctic, without appearing to be in competition for it. Such an approach could build on the EU’s existing credentials in protecting the environment and combating global warming.15

Further reading

Arctic Region, Key Issue dossier with links compiled by Ilze Eglite, EP Library

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Endnotes

1 For consistency, this Briefing uses European Union (EU) even in reference to periods predating the Maastricht Treaty.
5 Oxford Analytica, Canada: 'Northern Strategy' aims to secure Arctic, 13 October 2009.
6 Nikolaj Petersen, The Arctic as a New Arena for Danish Foreign Policy, Danish Foreign Policy Yearbook 2009, p. 39.
7 New building blocs in the North, March 2009.
13 EP, Opening of international negotiations in view of adopting an international treaty for the protection of the Arctic (debate).