

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

THE EUROPEAN UNION AND THE ARCTIC REGION

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1. INTRODUCTION

The European Union is inextricably linked to the Arctic region[1] (hereafter referred to as the Arctic) by a unique combination of history, geography, economy and scientific achievements. Three Member States — Denmark (Greenland), Finland and Sweden — have territories in the Arctic. Two other Arctic states — Iceland and Norway — are members of the European Economic Area[2]. Canada, Russia and the United States are strategic partners of the EU. European Arctic areas are a priority in the Northern Dimension policy[3]. Beyond areas of national jurisdiction, the Arctic Ocean contains parts pertaining to the high seas and the seabed managed by the International Seabed Authority.

The vast sea and land spaces of the Arctic region are vital and vulnerable components of the Earth's environment and climate system. Arctic air temperatures have been increasing twice as much as the global average[4]. Coverage of sea ice, snow cover and permafrost have been decreasing rapidly, triggering strong feed-back mechanisms that accelerate global warming. Accelerated loss from the Greenland ice sheet would raise sea levels rapidly and considerably.

In spite of harsh conditions, melting of ice and new technologies will gradually increase access to Arctic living and non-living resources as well as to new navigation routes. Although the Arctic remains one of the most pristine areas on Earth, it will be increasingly at risk from the combined effects of climate change and increased human activity.

EU policies in areas such as environment, climate change, energy, research, transport and fisheries have a direct bearing on the Arctic. It is a fundamental premise of the EU's Integrated Maritime Policy that each sea-region is unique and needs individual attention in balancing its uses in a sustainable manner.

In view of the role of climate change as a "threats multiplier", the Commission and the High Representative for the Common Foreign and Security Policy have pointed out that environmental changes are altering the geo-strategic dynamics of the Arctic with potential consequences for international stability and European security interests calling for the development of an EU Arctic policy[5]. On the whole, Arctic challenges and opportunities will have significant repercussions on the life of European citizens for generations to come. It is

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1 The notion "Arctic region" used in this Communication covers the area around the North Pole north of the Arctic Circle. It includes the Arctic Ocean and territories of the eight Arctic states: Canada, Denmark (including Greenland), Finland, Iceland, Norway, Russia, Sweden and the United States.

2 Provisions of the EEA Agreement ensure full participation of the EEA EFTA countries in the Internal Market and in these respects allow for cooperation in fields such as environment, research, tourism and civil protection, all of great importance for the Arctic.

3 The Northern Dimension is a shared policy among its four partners: the European Union, Iceland, Norway and Russia, promoting stability, prosperity and sustainable development.

4 Arctic Council finding (2005), confirmed by later measurements.

5 Climate change and international security, joint policy paper of 14 March 2008 to the European Council.

imperative for the European Union to address them in a coordinated and systematic manner, in cooperation with Arctic states, territories and other stakeholders. This Communication sets out EU interests and proposes action for EU Member States and institutions around three main policy objectives:

– Protecting and preserving the Arctic in unison with its population

– Promoting sustainable use of resources

– Contributing to enhanced Arctic multilateral governance

2. PROTECTING AND PRESERVING THE ARCTIC IN UNISON WITH ITS POPULATION

2.1. Environment and climate change

Activities in EU Member States — as most other countries — leave an environmental footprint in the Arctic. Addressing the root causes of Arctic changes requires a global response. Impacts resulting from climate change represent a challenge of paramount importance for the region at present and also for the future. The EU is a leader in fighting climate change and in promoting sustainable development. EU Member States and the European Community are parties to most multilateral environmental agreements of fundamental importance for the Arctic. European industries are in the front line in developing technologies for safe and sustainable operations in harsh conditions — on land, in coastal zones and offshore.

While the Arctic environment is particularly vulnerable, the low population and infrastructure density make emergency response management extremely difficult.

Policy objectives

The main goal must be to prevent and mitigate the negative impact of climate change as well as to support adaptation to inevitable changes. Prevention and mitigation action should also concern other global and trans-boundary processes with negative impacts in the Arctic, such as long-range transport of pollutants. This should be complemented by developing a holistic, ecosystem-based management of human activities, ensuring that the latter are administered in a sustainable way, integrating environmental considerations at all levels. There is a need to improve emergency response management.

Proposals for action:

– Assess the effectiveness of EU policies and of multilateral environmental agreements in responding to Arctic environmental challenges.

– Strengthen international efforts to mitigate climate change and identify areas where support for adaptation to the effects of climate change needs to be provided, including the adaptive management of biodiversity.

– Promote permanent dialogue with NGOs on the state of the environment in the Arctic region.

– Coordinate efforts with Arctic states, territories and other stakeholders promoting high environmental standards. Enhance ecosystem-based marine management in the Arctic Ocean by sharing EU experience with the Arctic states.

– Where strategies and projects of the EU affect the Arctic, take account of environmental impacts before decisions are made. Promote the use of impact assessments of projects, plans and programmes affecting the Arctic environment, including strategic environmental assessments, and share experience with the Arctic states.

– Support screening and monitoring of chemicals in the Arctic. Step up efforts to reduce pollution of the Arctic by persistent organic pollutants, heavy metals and other contaminants, including those from land-based sources. Continue supporting the destruction of stocks of harmful chemicals and the reduction of the risk of radioactive release in the Arctic.

– Pursue cooperation on prevention, preparedness and disaster response. The Commission's Monitoring and Information Centre can contribute to enhancing EU disaster response capacity in the Arctic. The Commission will support concluding an agreement on emergency prevention and response in the Barents Euro-Arctic Council (BEAC)[6].

– Strengthen cooperation on improving primary energy savings, energy efficiency and the use of renewable energies in the Arctic.

– Contribute to assessing the impact on marine mammals of increased acoustic noise generated by human activities.

2.2. Support to indigenous peoples and local population

About a third of the 4 million people living in the Arctic are indigenous. They are particularly vulnerable to the increasing pressures of climate change and globalisation.

Policy objectives

Arctic indigenous peoples in the EU are protected by special provisions under European Community Law[7]. A key principle of the Joint Statement on EU development policy[8] is the full participation and free, informed consent of indigenous peoples. EU regional policy and cross-border programmes also benefit indigenous peoples, whose organisations participate in the Northern Dimension. Rights of indigenous peoples are a thematic priority under the European Initiative for Democracy and Human Rights.

Hunting marine mammals has been crucial for the subsistence of Arctic populations since prehistoric times and the right to maintain their traditional livelihood is clearly recognised. However, modern human activities have put certain of these species in danger and there is growing concern in the EU about animal welfare. EU policies should continue to take all factors into account, seeking an open dialogue with the communities concerned.

Proposals for action:

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6 Forum for intergovernmental cooperation in the Barents region.

7 Protocol 3 to the Act of Accession of Sweden and Finland.

8 Adopted by the Council, the Parliament and the Commission in 2005.

– Engage Arctic indigenous peoples in a regular dialogue.

– Provide opportunities for self-driven development and the protection of their lifestyle.

– Support in particular the organisations and activities of the Saami and of other peoples of the European Arctic, *inter alia* under regional and cross-border programmes. Promote Northern European know-how in reindeer husbandry.

– Continue efforts ensuring effective protection of whales especially within the framework of the International Whaling Commission (IWC), including in the Arctic context. Support proposals for the management of indigenous subsistence whaling, provided that conservation is not compromised, whaling operations are properly regulated and catches remain within the scope of documented and recognised subsistence needs.

– Conduct dialogues with indigenous and other local communities traditionally engaged in the hunting of seals.

– The Community is currently considering banning the placing on the market, import, transit and export of seal products. However, this should not adversely affect the fundamental economic and social interests of indigenous communities traditionally engaged in the hunting of seals. Under the terms of the Proposal for a Regulation of the European Parliament and of the Council concerning trade in seal products[9], seal products resulting from hunts traditionally conducted by Inuit communities which contribute to their subsistence are exempted. The proposal also foresees that trade is allowed in other cases where certain requirements are met regarding the manner and method whereby seals are killed and skinned. The Commission's dialogue with the indigenous communities concerned will aim to facilitate the practical implementation of these provisions.

2.3. Research, monitoring and assessments

Policy responses should be based on assessments using the best available knowledge and understanding of the processes affecting the Arctic. The Arctic Council[10] has wide research programmes and publishes valuable assessments.

EU Member States and the European Community are major contributors to Arctic research[11]. The current Seventh Community Framework Programme addresses new projects and large international undertakings dealing with Arctic-related research. The European Polar Board seeks to harmonise and maximise the impact of European polar research. The European Environment Agency has made a series of assessments, building on the work of the Arctic Council.

Nevertheless, long-term monitoring, coordination and data availability remain insufficient for Arctic research.

Policy objectives

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9 COM(2008) 469, 23.7.2008.

10 The Arctic Council is an intergovernmental forum promoting cooperation among Arctic states involving indigenous communities.

11 Past Community Framework Programmes (FP5 and FP6) provided support to more than 50 polar-related projects. This includes DAMOCLES, the largest contribution to the International Polar Year. Within FP6 the Arctic-related budget reached €86 million.

The European Community should maintain the Arctic as a priority area for research to close knowledge gaps and assess future anthropogenic impacts, especially in the area of climate change. Moreover, it should strengthen international cooperation and interoperability and contribute to designing concrete steps for prevention, mitigation and adaptation.

Proposals for action:

– Develop further research programmes dealing with sea-level rise, loss of sea ice and melting permafrost as well as related feedbacks leading to accelerated warming and having other anthropogenic impacts on the Arctic ecosystems.

– Assess the state and evolution of the Arctic environment in order to contribute to the formulation of appropriate EU policies.

– Create new research infrastructure and enhance monitoring and surveillance capabilities. Contribute to the completion of the Aurora Borealis research icebreaker project.

– Coordinate efforts in different research areas relevant to the Arctic such as environment, transport, health and energy, as well as develop Arctic technologies.

– Ensure continuity in space measurements via GMES [12]. Support long-term measurements and reporting of marine data through the European Marine Observation and Data Network. Contribute to establishing the Arctic component of Global Earth Observing System of Systems.

– Develop enhanced, broad international information exchange on research projects and facilitate coordination of national programmes. Thus the EU should contribute to supporting the establishment of the Sustained Arctic Observing Network.

– Ensure open access to information from Arctic monitoring and research based on the principle of the Shared Environmental Information System. Facilitate and support outreach to the broader public.

3. PROMOTING SUSTAINABLE USE OF RESOURCES

3.1. Hydrocarbons

The Arctic contains large untapped hydrocarbon reserves[13]. Known Arctic offshore resources are located inside the Exclusive Economic Zone of Arctic states. Arctic resources could contribute to enhancing the EU's security of supply concerning energy and raw materials in general[14]. However, exploitation will be slow, since it presents great challenges and entails high costs due to harsh conditions and multiple environmental risks.

Policy objectives

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12 GMES (Global Monitoring for Environment and Security) is an EU initiative aiming at delivering sustainable and fully reliable information services based on Earth observation capacities.

13 Cf. Wood Mackenzie and Fugro Robertson: "Future of the Arctic, A new dawn for exploration" and assessments from the U.S. Geological Survey. It is important to note that estimates are based on surveys; further in-depth research is needed for more accuracy.

14 On 4 November 2008, the Commission adopted a Communication on "The raw materials initiative – meeting our critical needs for growth and jobs in Europe" (COM(2008)699.

Support for the exploitation of Arctic hydrocarbon resources should be provided in full respect of strict environmental standards taking into account the particular vulnerability of the Arctic. The EU edge in technologies for sustainable exploitation of resources in polar conditions should be maintained.

Proposals for action:

– Work to strengthen the foundations for long-term cooperation, particularly with Norway and the Russian Federation, facilitating the sustainable and environmentally friendly exploration, extraction and transportation of Arctic hydrocarbon resources. As elsewhere, the guiding principles will be a level playing field and reciprocal market access.

– Encourage the observance of the highest possible environmental standards. Press for the introduction of binding international standards, building *inter alia* on the guidelines of the Arctic Council and relevant international conventions.

– Promote further research and development in offshore technology and infrastructures. Build on experience accumulated in European industry in offshore oil and gas exploitation. Facilitate further research and innovation as emphasis shifts to even harsher climates and deeper waters.

– Encourage the growth of maritime clusters where universities and research centres can provide trained staff and research facilities to smaller companies. Much of the innovation will be driven by small and medium-sized enterprises in regional clusters.

– Assess possibilities of endorsing the guidelines for oil and gas exploitation drafted by the Arctic Council.

3.2. Fisheries

The only significant Arctic fisheries occur at present in the Barents Sea and to the east and south of the Norwegian Sea. Nonetheless, climate change might bring increased productivity in some fish stocks and changes in spatial distributions of others. New areas may become attractive for fishing with increased access due to reduced sea ice coverage. For some of the Arctic high seas waters there is not yet an international conservation and management regime in place. This might lead to unregulated fisheries.

The EU is among the most important consumers of Arctic fish, of which only a small part is caught by Community vessels. The European Community is a member of the North East Atlantic Fisheries Commission (NEAFC). It cooperates fully with states with sovereignty or jurisdiction in Arctic waters, seeking not only to ensure fishing opportunities, but also to guarantee long-term conservation and optimum utilisation of fishery resources.

Policy objective

The EU's main objective is to ensure exploitation of Arctic fisheries resources at sustainable levels whilst respecting the rights of local coastal communities.

Proposals for action:

– Put in place a regulatory framework for the part of the Arctic high seas not yet covered by an international conservation and management regime before new fishing opportunities

arise. This will prevent fisheries developing in a regulatory vacuum, and will ensure fair and transparent management of fisheries in accordance with the Code of Conduct for Responsible Fishing. In principle, extending the mandate of existing management organisations such as NEAFC is preferable to creating new ones. Until a conservation and management regime is in place for the areas not yet covered by such a regime, no new fisheries should commence.

3.3. Transport

EU Member States have the world's largest merchant fleet and many of those ships use trans-oceanic routes. The melting of sea ice is progressively opening opportunities to navigate on routes through Arctic waters. This could considerably shorten trips from Europe to the Pacific, save energy, reduce emissions, promote trade and diminish pressure on the main trans-continental navigation channels. But serious obstacles remain, including drift ice, lack of infrastructure, environmental risks and uncertainties about future trade patterns. Hence the development of Arctic commercial navigation will require time and effort.

Policy objectives

It is in the EU's interest to explore and improve conditions for gradually introducing Arctic commercial navigation, while promoting stricter safety and environmental standards as well as avoiding detrimental effects.

By the same token, Member States and the Community should defend the principle of freedom of navigation and the right of innocent passage in the newly opened routes and areas.

Proposals for action:

– Promote the full implementation of existing obligations concerning navigation rules, maritime safety, routes system and environmental standards in the Arctic, in particular those under the International Maritime Organisation (IMO).

– Stress the need to avoid discriminatory practices (in particular in terms of fees, obligatory services, regulations) by any of the Arctic coastal states towards third countries' merchant ships.

– Improve maritime surveillance capabilities in the far North. The Commission together with the European Space Agency is exploring a polar-orbiting satellite system that can pick up signals from anywhere on the globe. If successful, this would allow better knowledge of ship traffic and faster reactions to emergencies. The Galileo satellite navigation system will also play an important role in the Arctic for better and safer navigation, maritime surveillance and emergency response.

– Within the applicable rules of competition law, maintain the competitive lead of European shipyards in developing technology required for Arctic conditions[15]. The potential to provide specially-designed, environment-friendly ships, including ice-breakers, is an important asset for the future.

[15] In shipbuilding, ship repair and conversion, marine equipment and design, such as the unique Double Acting Ship with the bow optimised for open water conditions and the stern designed for icebreaking. Dredging of Arctic ports is another field.

– Explore support for designating some Arctic navigation routes as particularly sensitive sea areas under IMO rules, if proposed by any of the Arctic coastal states.

– Support any further work to enhance IMO environmental and safety standards applicable to Arctic waters.

In the field of land and air transport in European Arctic areas the main aim should be the development of East-West land and air transport infrastructures. The establishment of a Northern Dimension Partnership on Transport and Logistics will further support better land connections between the EU and North-West Russia, which are important for the future development of the area.

3.4. Tourism

Arctic tourism, especially cruise ship tourism, is developing rapidly, but several accidents have demonstrated associated risks.

Policy objectives

The EU should continue to support sustainable Arctic tourism, welcoming the efforts made to minimise its environmental footprint. Protection of the environment and benefits to local coastal communities should be primary considerations.

Proposals for action:

– Support increasing the safety of cruise ships, better guiding, restriction of access to highly vulnerable areas.

– Encourage environmentally friendly tourism, involving local communities.

4. CONTRIBUTING TO ENHANCED ARCTIC MULTILATERAL GOVERNANCE

There is no specific treaty regime for the Arctic. No country or group of countries have sovereignty over the North Pole or the Arctic Ocean around it. There are several maritime borders where Arctic coastal states have not agreed upon the delimitation of Exclusive Economic Zones[16]. Submissions to the UN Commission on the Limits of the Continental Shelf may result in overlapping claims[17]. Moreover, there are different interpretations of the conditions for passage of ships in some Arctic waters, especially in the Northwest Passage[18].

An extensive international legal framework is already in place that also applies to the Arctic. The provisions of the UN Convention on the Law of the Sea (UNCLOS)[19] provide the basis for the settlement of disputes including delimitation. UNCLOS also contains rules for the use

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16 Five bilateral delimitations have been negotiated. Unresolved are: Russia vs Norway in the Barents Sea, US vs Russia in the Bering Strait and US vs Canada in the Beaufort Sea. Canada and Denmark have a dispute over Hans Island. In addition, Norway and several countries, including EU Member States, interpret the applicability of the Svalbard Treaty in the 200 nm area around this archipelago differently.

17 In 2001 Russia submitted a claim for a large portion of the Arctic, including the North Pole. Norway also submitted a claim; Denmark and Canada intend to establish claims.

18 The dispute involves both the delimitation of Canada's internal waters where they can fully regulate trespassing, and the right of Canada to adopt and enforce laws to prevent pollution from vessels in ice-covered waters.

19 All Arctic states (except for the US), all EU Member States and the Community are parties to UNCLOS.

of living and non-living resources and the protection of the environment. Moreover, there is a long range of multilateral environmental agreements applying to the Arctic, frequently without comprising specific references to it.

In May 2008 five Arctic Ocean coastal states adopted a Declaration[20] stating that they remain committed to the legal framework in place and to the orderly settlement of any overlapping claims. Since then, several of them have announced steps extending or affirming their national jurisdiction and strengthening their Arctic presence.

The Arctic Council has been successful in preparing assessments, developing a regional identity and setting the Arctic agenda. Along with the BEAC and the Nordic Council of Ministers[21], it is a participant in the Northern Dimension.

The European Parliament has recently highlighted the importance of Arctic governance and called for a standalone EU Arctic policy urging the Commission to take a proactive role in the Arctic[22]. The parliamentary dimension of Arctic cooperation is crucial to raise awareness and to strengthen policy input. The European Parliament has been playing a valuable role in this respect.

The European Investment Bank can support investments in parts of the Arctic region, in accordance with its mandates, especially in the sectors of environment, transport, energy and research infrastructures.

The main problems relating to Arctic governance include the fragmentation of the legal framework, the lack of effective instruments, the absence of an overall policy-setting process and gaps in participation, implementation and geographic scope.

Policy objectives

– The EU should work to uphold the further development of a cooperative Arctic governance system based on the UNCLOS which would ensure:

  - security and stability
  - strict environmental management, including respect of the precautionary principle
  - sustainable use of resources as well as open and equitable access

– The full implementation of already existing obligations, rather than proposing new legal instruments should be advocated. This however should not preclude work on further developing some of the frameworks, adapting them to new conditions or Arctic specificities.

– The EU should promote broad dialogue and negotiated solutions and not support arrangements which exclude any of the Arctic EU Member States or Arctic EEA EFTA countries.

– Arctic considerations should be integrated into wider EU policies and negotiations.

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20 The Ilulissat Declaration of the Arctic Ocean Conference of 28 May 2008.

21 The Nordic Council of Ministers does valuable work promoting Arctic cooperation.

22 Resolution of 9 October 2008 on Arctic governance.

Proposals for action:

– Assess the effectiveness of Arctic-relevant multilateral agreements to determine whether additional initiatives or measures are needed. Closely follow the processes of maritime delimitation and of the establishment of the outer limits of the continental shelves to assess their impacts on EU interests.

– Explore the possibility of establishing new, multi-sector frameworks for integrated ecosystem management. This could include the establishment of a network of marine protected areas, navigational measures and rules for ensuring the sustainable exploitation of minerals.

– Enhance input to the Arctic Council in accordance with the Community's role and potential. As a first step, the Commission will apply for permanent observer status in the Arctic Council.

– Suggest that Northern Dimension partners hold regular discussions about Arctic issues and examine possibilities for projects under the Northern Dimension Environmental Partnership to cover wider areas in the European Arctic. Efforts in the area of energy efficiency and under new Northern Dimension partnerships will have great relevance for Arctic cooperation.

– Launch a reflection on possibilities for further development of Arctic-related cross-border cooperation and regional programmes to enhance cooperation with the Arctic states.

– Explore all possibilities at international level to promote measures for protecting marine biodiversity in areas beyond national jurisdiction, including through the pursuit of an UNCLOS Implementing Agreement.

– Work towards the successful conclusion of international negotiations on marine protected areas on the high seas.

– Discuss with Norway and Iceland how the Marine Strategy Framework Directive will be integrated into the EEA Agreement and thus apply to a part of the Arctic Ocean.

– Include Arctic matters in future high-level dialogue meetings on maritime affairs.

– Provide an overview of all the EU's relevant Arctic-related activities on the thematic web-site on Maritime Affairs, and promote dialogue with stakeholders on these activities.

– Explore — together with the Nordic countries — possibilities for creating a European Arctic Information Centre.

– Establish closer links with Arctic education networks.

Greenland

Being part of Denmark, Greenland is one of the Overseas Countries Territories (OCTs) associated to the Community. Significant Community financial assistance is provided to Greenland through Annual Action Programmes[23].

Proposal for action:

– Enhance Arctic-related cooperation with Greenland. Additional efforts should be envisaged to make the EU an even more important partner for Greenland in managing its fragile environment and the challenges confronting its population[24].

5. CONCLUSION

The suggestions contained in this Communication aim to provide the basis for a more detailed reflection. This will be useful for implementing the EU's strategic initiatives, including the Integrated Maritime Policy. The present Communication should also lead to a structured and coordinated approach to Arctic matters, as the first layer of an Arctic policy for the European Union. This will open new cooperation perspectives with the Arctic states, helping all of us to increase stability and to establish the right balance between the priority goal of preserving the Arctic environment and the need for sustainable use of resources.

[23] In the period 2007-2013, financial assistance of up to €25 million per year is allocated to Annual Action Programmes in support of the education and vocational training sector. Additionally, €15.8 million per year is devoted to fisheries.

[24] Having regard to the Commission Green Paper on Future relations between EU and OCTs - COM(2008) 383.