OSCE Parliamentary Assembly Sub-regional Conference
The High North – Environment, Security and Co-operation
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Address by Mr Jan Petersen
Norwegian Minister of Foreign Affairs

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Norwegian Policy in the High North

Mr Speaker of the Storting
Mr President of the Assembly,
Mr Chairman
Members of the Assembly,

It is a pleasure for me to address you; for a number of years I have been a member of the Storting and of its delegations to assemblies of international organisations. I would like to thank the OSCE Parliamentary Assembly and the Storting for convening this sub-regional conference. Tromsø – being one of the main cities of the High North – is a highly appropriate setting for our discussions.

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The timing is good. The conference coincides with the broad debate in Norway following the Government's new white paper on *Opportunities and Challenges in the Northern Areas,* which will be discussed by the Storting in four weeks' time. A key word is "opportunities". Because the northern areas will have a vital role in the future provision of energy and living marine resources.

One of my messages today will be that the northern areas will need much more international attention - and international co-operation - in the years to come.

Mr Chairman,

Profound changes have taken place in these areas since the cold war. The border between Norway and Russia was closed for many decades. It was one of the two frontiers between nations where NATO and Soviet forces directly faced each other, West versus East.

The Barents Sea was of great strategic military importance, not least because of the nuclear capabilities of the powerful Northern Fleet, which was based on the Kola Peninsula.

The security threat this tense situation posed, is no longer there. Today, the northern areas are among the most peaceful corners of Europe. East-West confrontation has been replaced by East-West co-operation. Conflict has been replaced by a common concern about the challenges we face in the Arctic.

The Norwegian-Russian border has become a gateway for contacts and joint ventures in all fields. During the last 10 years we have witnessed the development of a remarkably dynamic network across the border, between local politicians, businesses, schools and NGOs. These grass-root contacts, established and maintained by local communities on either side, are similar to how relations were before 1917.

Thus, security policy issues have receded more into the background, and the definition of security has become much wider. Issues related to the environment and resource management have moved to the foreground of the political agenda.

One of these is how to exploit the rich resources and economic potential without damaging fragile habitats. The large petroleum resources we believe are to be found beneath the seabed will undoubtedly open up new opportunities. The region faces increased economic activity.

The white paper focuses on how the Government will seek to safeguard Norwegian foreign policy interests, maintain political stability and resolve cross-border issues through bilateral and multilateral co-operation.

We propose a number of specific measures for strengthening and co-ordinating Norwegian policy in the North.

Norway wants to further develop and strengthen the constructive co-operation with our good neighbour and close partner in the north, Russia, both at the bilateral level and through regional forums, such as the Barents and the Arctic Councils.

Norway is also establishing broad dialogues on northern areas issues with key Western countries and institutions – beginning with the United States, Germany, Canada, France, the United Kingdom and the European Commission. Our intention is that the dialogues will raise awareness on the northern areas issues, as well as promote understanding of our priorities on these issues, which are of great importance to us all.

The USA is one of the countries where the idea of such a broader dialogue has been well received. Norway and the United States have for a long time been involved in solving some of the serious problems in the High North. I am referring to our common efforts to improve nuclear safety and security in Russia.

Senators Nunn and Lugar were among the first to realise the need to deal with the repository of weapons and materials of mass destruction in the former Soviet Union. The lessons of 9/11 prompted the G-8 countries to launch their Global Partnership, which was to a great extent inspired by the Nunn-Lugar programme. Norway joined the Partnership in 2003, and we have, like the Americans, been involved in nuclear safety co-operation projects with Russia since the early 1990s.

Mr Chairman,

Earlier this year I had the opportunity to visit Murmansk, Arkhangelsk, St Petersburg and Moscow. I had talks at the political level and was able to visit a number of joint business and cultural projects.

The climate of co-operation is very promising. In the last decade, Norway's bilateral co-operation with Russia has expanded into new fields. It has never been better, or covered a broader range of areas, than it does today.

While political, diplomatic and military issues previously dominated our dialogue with Russia, the focus is now on the economy, energy and the environment. But these issues do not only concern our two countries. They also affect global security.

Norway and Russia co-operate on matters ranging from nuclear safety, managing fish stocks in the Barents Sea, reducing pollution and increasing energy efficiency, to health care and co-operation on projects in the arts. And in the business sector, commercial co-operation, trade and investment are all increasing.

The Russian economy has developed rapidly in the past few years, including in the north. The commercial framework conditions have improved, providing new avenues for commercial co-operation. We want to encourage this positive trend.

But efficient co-operation in the business sector requires a transparent, predictable and stable economic and legal framework.

The northern areas contain huge energy resources. So far only two fields are being developed here – one on the Norwegian continental shelf and one on the Russian side. The Snøhvit gas field on the Norwegian side is the largest industrial project that has ever been undertaken in our northernmost county of Finnmark. It has proved to be a major boost to employment and the economy of the whole region.

Norwegian companies have developed experience, cutting-edge expertise and technology through their involvement in complex development projects both on the Norwegian shelf and elsewhere in the world. The development of the large Stockman gas field in the Russian part of the Barents Sea could open up unprecedented opportunities for co-operation between the Norwegian and Russian business communities.

The one important issue that Norway and Russia have not yet been able to resolve is the question of the delimitation of the continental shelf and maritime zones in the Barents Sea. Although we would like to see an agreement sooner rather than later, a fair delimitation is better than a speedy agreement. When we do agree on a maritime delimitation line, a new potential for co-operation in the oil and gas sector will be released.

The co-operation on nuclear safety has had particularly good and tangible results. There are sound reasons why this issue has been at the centre of bilateral co-operation for the last 10 years. The Kola Peninsula, on Norway's doorstep, has the world's largest concentration of nuclear installations.

In this area we find an old nuclear power station; more than 50 nuclear submarines waiting to be dismantled; service ships with large quantities of spent nuclear fuel on board, – some of it damaged and therefore difficult to handle; a run-down storage site with fuel from 100 reactors; and tons of solid and liquid nuclear waste.

In addition to all this, there are numerous lighthouses scattered along the Russian coast that are powered by highly radioactive strontium batteries. Experts have pointed out that these batteries can be used for making dirty bombs.

The nuclear clean-up task facing us is enormous – and it is urgent. Not only do these nuclear installations represent a threat to the vulnerable environment, there is also a real danger that nuclear material could fall into the hands of terrorists.

The nuclear installations affect regional and global security. Thus, this is at the same time an environmental and a non-proliferation issue.

Norway wants to continue playing a leading role in this work and to intensify its nuclear safety efforts in Northwestern Russia.

I would like to commend Russia for its efforts in this field. They are well aware that the ultimate responsibility for the situation – and for the clean-up – is theirs. And they are allocating huge resources to this task from their own budgets. But they still need international assistance.

Norwegian-Russian contacts at the official political levels are frequent and wide-ranging. But an equally important factor is that the cross-border people-to-people contacts are proving highly successful. Norway and Russia share an almost 200 kilometre-long border, which was closed for many decades. Today, there are more than 100 000 border crossings every year. These contacts at the grassroots level are the bedrock of our bilateral relationship.

Mr Chairman,

The Barents Co-operation is also an important forum for Norwegian-Russian co-operation. The Barents Euro-Arctic Council consists of Russia, the five Nordic countries and the European Commission. It is a key tool in our northern areas policy.

But the most distinctive feature of this co-operation is the importance of the regional level. The local authorities of 13 counties in Norway, Sweden, Finland and Russia are represented in the Barents Regional Council. Over the years they have launched and implemented a large number of projects and initiatives.

The Barents Co-operation has now entered its second decade and has proved to be a success. This is due not least to the active contacts at the regional level. Trust has been built. An active cross-border network has been created. This will give us a sound foundation for more ambitious political co-operation in the years to come.

Norway is chair of the Barents Council for the period 2003-2005. Our main priorities are private sector development, education, the police and justice sector, co-operation on emergency and rescue services, and health.

At the same time, however, we feel that there is a need to review the formal structures of the co-operation in order to make them more effective. We are concluding our chairmanship by proposing an independent evaluation of the co-operation as a whole.

The co-operation also has a parliamentary branch. The Second Barents Parliamentary Conference will be held at the end of June in Bodø, south of Tromsø.

Developments in the Barents Region reflect the broader global agenda, including the new threats to mutual security – from terrorist networks, aggressive extremism, illegal migration, trafficking, organised crime, communicable diseases, environmental or nuclear hazards, and other sources. These are also some of the global threats being taken up in the United Nations` ongoing reform discussions.

The Barents Co-operation offers a stable environment for combating such threats, while promoting the social and economic competitiveness of the region. We believe that the co-operation can serve as a useful model for developing cross-border regional co-operation in other parts of Europe.

Mr Chairman,

Moving on to another co-operation arena in the High North: the Arctic Council is the most important multilateral co-operation forum for the Arctic part of the northern areas. The main focus is on environmental protection, climate change issues and sustainable development in the Arctic region.

One of the Arctic Council's strengths is that it has fully integrated the indigenous peoples of the region. This is of great benefit to the participating governments as well as to the indigenous peoples themselves.

Norway will assume chairmanship of the council in the autumn of 2006, – which is also the International Polar Year. We will use the opportunity to strengthen the Arctic Council's role as a forum for exploring issues of interest to the Arctic as a whole, and to lay the foundation for national and international measures for dealing with the issues in the region.

The Arctic contains the largest remaining wilderness areas in the northern hemisphere. Local populations are highly dependent on its rich natural resources.

These assets need to be protected.

Global warming is now the most pressing item on the Arctic environmental agenda.

The Arctic Council's Climate Impact Assessment showed that climate change is happening faster and will have greater impact than was previously thought. The Arctic climate is now warming rapidly. This is a clear message to us all, and it is backed up by consensus in the scientific community.

The consequences of climate change in the Arctic will affect vital industries such as fisheries and oil and gas exploration.

Climate change is a truly global issue. No single country can deal with this on its own.

We must seek international solutions. Every country will have to take its share of the burden.

With a population of about 4 million people, the Arctic region does not contribute significantly to global climate change. However, the Arctic states, which include the USA, Canada, Russia and the five Nordic countries, are responsible for about 40 per cent of global greenhouse gas emissions. The Arctic states thus have a major role to play in mitigating climate change in this region.

The Kyoto Protocol on climate change – although it may have limitations – is the only international instrument available for addressing the problem reasonably effectively. It was obvious to Norway that it should adopt the protocol.

Let me add, however, that fulfilling the requirements of the Kyoto Protocol is only the first step towards coming to grips with the challenge of climate change.

The alarming change in the Arctic climate has reinforced the need for new, stronger commitments to reducing global greenhouse gas emissions. We are therefore working actively towards the establishment of a more comprehensive climate regime beyond 2012.

I am stressing the environmental concerns in the High North because threats to the environment have become an urgent *global security issue* that must be dealt with.

Mr Chairman,

One third of mainland Norway lies north of the Arctic Circle. Norwegian territory reaches far into the Arctic Ocean. The northern areas have always been, – and will continue to be, – an important part of Norwegian foreign policy, for both strategic and economic reasons.

We therefore have a strong and permanent interest in the area. Currently our attention is strongly focused on natural resources. Norway's petroleum activities are on the move.

Experts estimate that about a quarter of the world's undiscovered petroleum resources are located in the Arctic. Large deposits have been discovered, especially in the Russian Arctic.

The International Energy Agency predicts that by 2030 the world's aggregate energy demand will have risen by 60 per cent. Dependence on OPEC oil will inevitably increase.

There is thus rapidly growing interest in the resource potential of the Arctic, – and of the Barents Sea in particular.

But we must not lose sight of the environmental challenges that will accompany the potential rewards that oil and gas production will bring. A central concern is to safeguard the rich, unpolluted and highly vulnerable marine environment.

Another sector where we have strong common interests is the valuable fisheries here in the north. The management of joint fish stocks in the Barents Sea is a successful co-operation, which was established already as early as the 1970s.

The fisheries must be managed in such a way that they continue to secure jobs and income for future generations. Norway's policy is based on the principle of sustainable management and harvesting.

We want to continue our close co-operation with Russia in the fisheries sector in order to ensure sustainable management of the resources. However, the lack of access to the Russian Economic Zone for research vessels, and other problems related to control mechanisms, are some of the challenges facing us today.

Pollution from offshore activities, from accidents related to oil transport along the coast, and from radioactive sources, could cause irreparable damage to fish stocks. Oil spill contingency planning and safety at sea are therefore an increasingly important area of bilateral co-operation between Norway and Russia.

One of the main tasks of the petroleum industry is to demonstrate that it can operate not only cost-effectively, but also safely and without harming the Arctic environment. Meeting this goal will require new knowledge, new technologies and close co-operation. This task has high priority for the Norwegian Government and for the industry.

Our governance of the Arctic has an impact on global environmental challenges, global resource management and global security, an impact that will only increase with time.

These global challenges in the northern areas – these *opportunities* – should be a focus of attention for governments and parliaments in the Eurasian region and across the Atlantic.

The resources in these areas are rich and could offer great rewards. It is vital that they are carefully managed in this highly valuable, yet vulnerable, region.

Thank you.