



Nordic security conference

# THE ARCTIC – What's at stake?

## OFFICIAL NON-PAPER OF THE CONFERENCE

### The Arctic – More Than Security Challenge

**The Nordic Embassies and the Nordic Council of Ministers in Vilnius, together with Vytautas Magnus University (VMU) and the Lithuanian think-tank the Eastern Europe Studies Centre, organised the virtual Nordic security conference The Arctic – What's at Stake? on 19 March 2021.**

The objective of the conference was to present to the Lithuanian audience the different important issues that are at stake in the Arctic region in general, and for the European Union and the Nordic countries in particular. These are issues that might also be of growing importance to Lithuania and the other Baltic states. This includes both hard and soft security (search and rescue) questions, as well as issues related to the vulnerable environment and climate (including black carbon emissions), resource management (including fisheries and energy), new transportation routes, economic development, and social issues (of especially the indigenous people) and possible competition/cooperation with NATO countries, Russia, and China. A recording of the conference can be found [here](#). This non-paper is an abstract of the main ideas raised by the speakers during the conference, prepared by the policy analysts at the Eastern Europe Studies Centre.

**SPEAKERS AT THE CONFERENCE WERE:**

- **Arnoldas Pranckevičius**, Vice-Minister of Foreign Affairs of Lithuania
- **Michael Mann**, European Union Special Envoy for Arctic Matters, European External Action Service
- **Tómas Orri Ragnarsson**, Senior Adviser, Secretariat for the Arctic Expert Committee, Nordic Council of Ministers
- **Louise Calais**, Ambassador for Arctic Affairs, Ministry of Foreign Affairs of Sweden
- **Rune Jensen**, Coordinator - White Paper on the Arctic, Ministry of Foreign Affairs of Norway
- **Viktorija Rusinaitė**, Senior Analyst at Hybrid CoE, associated analyst at Vilnius Institute for Policy Analysis
- **Matti Anttonen**, Permanent State Secretary, Ministry for Foreign Affairs of Finland
- **Thomas Winkler**, Ambassador for Arctic Affairs, Ministry of Foreign Affairs of Denmark
- **Saulius Gasiūnas**, Director of the Euro-Atlantic Cooperation Department, Ministry of Defence of the Republic of Lithuania
- **Friðrik Jónsson**, Iceland's Senior Arctic Official to the Arctic Council

**DISCUSSION PANELS WERE MODERATED BY:**

- **Dr. Margarita Šešelgytė**, Director of the Institute of the International Relations and Political Science, Vilnius University
- **Prof. Mindaugas Jurkynas**, Head of the Department of Political science, Vytautas Magnus University, Jean Monnet Chair

## “The Arctic – More Than a Security Challenge”

### *European Union*

The EU's Arctic policy is set out in a Joint Communication published in April 2016 “An integrated EU policy for the Arctic”, which is based on three pillars: fighting climate change and protecting the environment, promoting sustainable development and strengthening international cooperation. As the climate situation is rapidly evolving and numerous arctic or non-arctic states are updating their own Arctic policies, the EU must remain both credible and relevant. In July 2020, the European Commission and the European External Action Service (EEAS) launched a public consultation with a view to updating its policy. The consultation helped to reflect more broadly on the new challenges and opportunities in the Arctic region, in light of the EU's objectives under the European Green Deal (more information on the results can be found [here](#)).

In the speech by High Representative/ Vice-President Josep Borrell at the Arctic Frontiers conference in Norway in February 2021 it was emphasised that “a safe, stable, sustainable, peaceful, and prosperous Arctic is important not just for the Arctic itself, but also for the European Union and actually for the whole world. The European Union wants to work with partners to achieve a robust balance between the need for precaution and preservation of the environment, of resources and of culture, and the desire to use and economically develop the Arctic regions and their resources to the benefit of local inhabitants and the green transition.”

International law must be the foundation for all activities in the Arctic. There is a need to uphold and strengthen the laws and multilateral commitments that were developed over the past few decades. In this regard, the Arctic

Council has been the most important forum to discuss issues in the region, as the leading intergovernmental forum promoting cooperation, coordination and interaction among the Arctic States, Arctic Indigenous peoples and other Arctic inhabitants on common Arctic issues, in particular on issues of sustainable development and environmental protection in the Arctic.

For 25 years, EU member states, supported by the permanent members of the Council, indigenous peoples and organizations have been instrumental in setting the Nordic agenda and developing knowledge about issues in the Arctic. This is the way forwards for sustainable development, close cooperation on crucial questions and de-escalation of any tensions. At the moment, the Arctic region is an exceptional region in the world where peace is being maintained through international cooperation and international agreements.

Currently, six EU member states are observers and three are members of the Council. Even non-Arctic states have developed some form of policy strategies for the Arctic. We talk about Arctic exceptionalism in terms of it being a place where international cooperation and peace exist. Those member states that are interested in the Arctic issues tend to hold the same views although there can be nuances. It is noticeable that more and more member states are becoming increasingly interested in the Arctic and realize that what happens in this region affects them as well.

The EU could play an important role in the development of the Arctic and the EU's leading role on climate action would be key to the future of the region. The Arctic is very broad; thus, the EU has to ensure that all stakeholders in the region and the Arctic matters are moving towards the same direction. The EU has performed numerous positive actions, but it needs a more comprehensive approach to the Arctic.

The EU nature directive has been important and contributed to the northern parts of Finland and Sweden. EU support through structural funds – the Northern Periphery Programme and the EU Neighbourhood Instrument (ENI) – is of great importance for cooperation and sustainable development in the region. This support should be reinforced through cooperation between the instruments to maximize the effect. The EU should also continue to contribute to negotiations on international conventions and instruments that are relevant to the Arctic.

### *Russia, China, North America*

We need to recognize that there is a military build-up in the Arctic – particularly from the Russian Federation. Others, including the Nordic countries, are also involved. The Arctic region is increasingly important for Russia and this is also reflected in its security policy. We have to remember that Murmansk is the most important military base for Russia. The base of the Northern Fleet has a significant portion of the nuclear arsenal.

Russia is taking up positions in the Arctic. It has started strategizing as to how it could dominate and block North Atlantic communications for some time at least. It is important for the security of Baltic and Nordic regions in general. We are reliant on reinforcements and the majority of combat capabilities in NATO that come from the other side of the Atlantic, not Europe. It is obvious for Russia – if something happens in the Baltics, it will also occur in the North Atlantic and other places. They are conjoining Ocean Shield exercises with exercises like Zapad, Vostok and Kavkaz to form a single exercise and capability system. It is affecting all of Northern and Eastern Europe as well and we should come up with a common response to that. There is limited dialogue between NATO and Russia. The West would like to speak about topics that Russia

does not like to speak about and also, it cannot ignore Russia's military build-up. At the same time, we need to keep a measured and appropriate response.

Western countries should be mindful of the fact that geopolitical tensions are spilling over into this region. These tensions are coming from outside the Arctic and are not something that can be resolved by themselves. It is important to recognize that when we talk about security threats and tensions, it is not a black and white scenario – there are numerous nuances. In conclusion, the ultimate dilemma will be on how we maintain cooperation as preferred to any conflict or confrontation. That is the ongoing diplomatic work in the Arctic Council, and the work of NATO, the EU, the UN and others.

The Arctic's entire territory falls under the jurisdiction of sovereign states. The Arctic Ocean is governed by international law, including the UN Convention of the Law on the Sea. Arctic states have sovereignty over their internal waters, territorial seas, and sovereign rights in their exclusive economic zones. When it comes to Russia and China, we should keep in mind that Russia is also located in the Arctic. They have the longest coastline – it cannot be compared to China, who will always be a guest in the Arctic.

All international formats function as long as governments are committed to making them work. So far, all are. Arguably, it would be in Russia's interest to maintain the current level of cooperation within the Arctic Council, particularly as they are now assuming the chairmanship. We must simultaneously try to persuade Russia that is in its best interest to maintain current levels of cooperation while countering the increasing security challenges.

The recent developments in the US with the special envoy for climate change and the increased US interest in the Arctic are both very

good news. Even though it is an Arctic country and a neighbour of Russia in the region, policymakers in Washington D.C. do not really feel like they are an Arctic country. The USA has not really invested in this region – if we look at the icebreaker capabilities of the US, there are hardly any. Canada is a bit better, but still small if compared to Russia. There are some mining projects and plans to produce oil and gas in Alaska, the Canadian North and Greenland. However, the economic picture that we have is likely to remain the same, because, if we go towards a more sustainable, less carbon-reliant future, those hydrocarbon resources, which are very expensive to extract, are going to be priority. Thus, not much is going to happen in this part of the Arctic.

### *Baltic countries and their interests*

The Baltic states should seek to be able to influence the situation in the Arctic region to a larger extent.. First of all, because there are ample sources of environmental data suggesting that the Baltic states are among the most affected by the rising water, air and surface temperatures compared to the temperatures in these countries in the past. Second, because Russia bases its ambitions in the Arctic on exploiting the impact of climate change in order to be able to use the Northern sea route. In addition to its foreign policy, claiming some of it is based on historical legacy arguments, Russia is engaging in extensive militarization programs in the Arctic region. Some analysts suggest that in the future, Russia might attempt to export conflicts that it has in relation to NATO to the Arctic. Third and most importantly, because Lithuania and other EU members states decided not to exploit the impact of climate change, but are committed to the EU Green Deal.

Some might say that this proposal is detached from reality because the Arctic is

quite far from the Baltic states and anything that happens there is not likely to affect life in the Baltic states. However, this is not how climate change works. It is quite easy to understand that less sunlight is reflected to the atmosphere and more of it is absorbed in the water, which melts even more ice, resulting in negative effects on the Baltic states by simply warming up the temperature of the Baltic sea. Moreover, even if the Arctic is far away, through alliances and organizations, the Baltic states are already engaged in what happens in the Arctic region. An example that might help to understand the situation; If a military conflict involving one of the NATO member states were to break out there, the Baltic states would have a share in it.

The involvement of the Baltic countries is always seen as a value-added from the Nordic countries' perspective. The Baltic states can tap into research projects or they might conduct their own research.. If you look at all the countries that are observers in the Arctic Council, many countries are land-locked, for example Switzerland. They joined because they all have something at stake, not only an interest in global issues, such as pollution, but also more regional interests such as the transportation routes that lead to Europe. Overall, the greater the dialogue between countries, the greater the benefit. There is a political and security element from the perspective of Lithuania and other Baltic states but not the least, the scientific, research element.

### *Research, climate change, local populations, and economics*

All the strategies of the Nordic countries emphasize the importance of international cooperation. The reason is that the Arctic region cannot be viewed in isolation since most of the emissions and pollution primarily originate outside the Arctic region. In the early years



after the Cold War, the Arctic was analysed through the environmental and foreign policy lens but now there are other dimensions as well including: security and infrastructure. As the pandemic has shown, it is very difficult to react to sudden changes.. A good, solid scientific foundation and knowledge are the key to do so successfully. The knowledge of the Arctic has come a long way in a few short decades, but this does not mean that the efforts should slow down. On the contrary, there is a need to increase collective research and scientific efforts by the Nordic countries and their partners as sustained efforts and research in the Arctic are expensive and full of challenges.

Global warming will forever change the Arctic as we know it. It will massively harm the living conditions of the local population and accelerate negative trends globally. The predicted consequence of this will be devastating – in less than two decades, the Arctic Ocean could be free of ice during summertime. To add to the current challenges, black carbon emissions in the Arctic will contribute to the warming itself. This leads to melting snow and ice which results in increasing temperatures and global warming. Many species and ecosystems are under rapidly increasing pressure and on the brink of extinction and this is likely to increase even more in the decades to come. Climate change increases the economic interest in the Arctic, including shipping and gas extraction. On the one hand, it creates new economical opportunities, on the other hand, it creates a consistently growing burden of climate-related challenges and their consequences.

The Arctic is a region of possible massive economical gain. For example, cargo shipments from Tokyo to Hamburg currently take 48 days via the Suez Canal but using the Northern Sea route, the same journey would take only 35 days. It is a much shorter route to European markets. Now, the Arctic routes for shipping

can only be operated in summer with special icebreaker ships. If it becomes possible to use normal vessels in the future, major opportunities to diversify transport to China and Japan will open. So far, traffic is limited to Russian exports in the world market. Nevertheless, there is an opportunity in the long run for transport between Europe and Asia through this channel. This is an important opportunity from the Asian perspective, and this might be the main reason why Japan and China are interested in this region.

The Nordic countries should continue and are willing to work to strengthen the global commitment to manage the global effects of climate change and to continue exerting pressure on their global partners for a better and faster implementation of the Paris Climate Agreement. This agreement must be fully reflected in the Arctic cooperation format. Work is also needed both on mitigation and adaptation to climate change. There is a need for particular focus on biodiversity protection and sensitive ecosystems on land and at sea. In the future, there will be a greater need for closer cooperation on marine issues and marine conservation on the Arctic Council. The agreement to prevent fishery in the central Arctic Ocean that the EU so successfully negotiated is important, but it will not be enough to solve the occurring challenges for the years to come.

The indigenous populations in Northern Europe have traditionally lived off reindeer herding. Now the picture is changing – indigenous people are moving into cities.. Nordic economic activities are becoming more diverse – there are big industrial projects in Northern Sweden and Finland, Northern Norway, These are increasingly becoming important for providing fish and seafood for the international market. There is also off-shore exploration for oil and gas. These developments will continue. If compared to North America, Nordic

countries have infrastructure, roads, railroads, ports and airports. Traditionally, these northern regions in European countries have faced declining populations – now they are growing along with the workforce for major investment projects in Norway, Northern Finland, and Northern Sweden.

People living in the Arctic are the most affected by the changes that we now see. Nordic countries agree that the local population in the Arctic region and next to it should have all the rights to enjoy good living conditions and sustainable economic development with respect for their rights as the indigenous population. The Arctic countries should work on maintaining efforts promoting sustainable development in particular vis-a-vis tourism and economic develop-

ment, both digital and physical infrastructure which are big issues in the region. Sustainable economic development, advancing education and research in the region, health, and social issues, building capacities – all of this increases opportunities for the population. The Arctic should have a strong focus on youth, it is they who are the future of the Arctic, and to ensure their opportunities for education, smart solutions, and development of robust infrastructure. Investments are important, but it is also crucial to see them in the light of the implementation of the EU Green Deal and the transition to a fossil-free world, striving to ensure that solving today's problems will not result in challenges for tomorrow.