

**Check against delivery**

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**Managing Risk in the Arctic**

Mr. President, Mr. Chair, fellow panelists, dear friends,

Thank you for inviting me to address this highly interesting and relevant conference in the beautiful city of Bodø, my hometown.

And thank you for allowing me to present my views on managing risk in the Arctic, together with such a highly competent panel of speakers. I have learned a lot from listening to you.

Today I will focus on how we can use the political cooperation in the Arctic as a tool to manage risk in the Arctic. I will mainly be focusing on the Arctic Council, its structure, strength and weaknesses, and possible ways for the Council to go in the future. I will also speak about how the Arctic Parliamentary Cooperation has tried to be a constructive partner in developing governance in the Arctic.

Before I start talking about the Arctic Council, let me make one thing clear: Norway is a strong supporter of a robust cooperation between the Arctic states. The previous government identified the High North as the most important strategic policy area. The current government is using slightly different words, but has underlined its commitment to the Arctic.

As Norwegian politicians we have recognized that what is happening in the Arctic, with the melting ice and its huge resources, is of huge importance to our nation, to region and the international community. We have further realized that we need to cooperate with our neighbors in the Arctic to get an efficient governance of the Arctic, and we are pleased with the development we have seen in Arctic cooperation, especially through the Arctic Council. Management of risk in the Arctic cannot be met by one nation alone, but through international cooperation. And I agree with Lindis Sloan, who spoke yesterday, there are not one Arctic, there are several.

I will also underline that the broader international community has a role in managing the risk in the Arctic. The International Law of the Sea – with the UN Convention on the Law of the Sea as the central treaty – is an important legal framework for managing the Arctic Ocean. The expected mandatory regulations from the International Maritime Organization – IMO – for ships operating in ice-covered waters will be of great importance for safe shipping in the Arctic. However, in my intervention here today I will primarily focus on the Arctic cooperation.

Friends,

The Arctic Council is a success. In its relatively short time of existence – 18 years – it has been instrumental in establishing the Arctic as a zone of cooperation. The Arctic Council has been innovative in its governance structure, by having the states and the indigenous peoples, known as Permanent Participants in this context, at the same table, and with a strong link to the science community which delivers world class assessments.

The Arctic science community has developed new ways to include traditional knowledge of the indigenous peoples in their assessments. By combining western science and the traditional knowledge, the working groups under the Arctic Council have delivered reports which have been the basis for the state representatives in their decision making.

Having the science community and the indigenous peoples in close cooperation with the state representatives, have been important in finding the correct subjects for cooperation. By having this three party cooperation we have identified areas for cooperation from three different perspectives:

1. From the people who live in the Arctic
2. From the people who studies the Arctic
3. And from the people who govern the Arctic

And here I come to the first conclusion: Through the composition of the Arctic Council we have been able to identify the correct areas of cooperation in the Arctic, and thereby been better at managing the risk in the Arctic.

Some of the most important early results were:

- The Arctic Climate Impact Assessment – which made the world aware of climate change and the rapid changes in the Arctic climate
- The Human Development Report – put the people living in the Arctic on the political agenda, in addition to flora and fauna.
- The Arctic Shipping Assessment – showing the increased marine activity as result of the melting sea ice.

More recent deliveries are the legally binding agreements signed under the auspices of the Arctic Council;

The Search and Rescue Agreement signed in 2011 and the agreement on marine oil pollution response at the 2013 Ministerial Meeting in Kiruna.

I am very pleased that the Arctic Council has established a number of new task forces addressing areas like; short lived climate forcers, scientific cooperation in the Arctic, and prevention of oil spill pollution. This is in line with the recommendations from the Arctic parliamentary conference in Akureyri in 2012.

The Arctic parliamentary cooperation has also adopted a short and highly relevant report on how the Arctic cooperation, and especially the Arctic Council, shall develop to meet the future challenges in the Arctic. Among the things we recommend are:

- To make the Arctic Council a treaty based organization – to strengthen its legal base to make it better prepared to take on new areas of responsibility and the international interest in the Arctic. As you know there are 12 state observers to the Arctic Council and a number of organizations. This is definitely a big possibility for the Arctic Council, but right now they don't know exactly how to deal with it.
- To strengthen the support of the Permanent Participants. As the Arctic Council cooperation is becoming broader and deeper, the capacity of the PPs to participate in the work of the Council is being put to a test, both with regards to human capacity and financially. We believe it is important help

the PPs in the work in the AC to find mechanisms to facilitate their participation.

- The last of the proposals I would like to mention is the involvement of observers in the Arctic Council. The parliamentarians have always been positive to include new observers to the Arctic Council. There are several reasons for this, the most obvious one being that many of the challenges and problems we face in the Arctic derives from outside of the Arctic. Personally I believe a further step in evolving the governance in the Arctic will be to include the observer states in legally binding agreements negotiated around the table of the Arctic Council.

At the Arctic parliamentarian conference in Akureyri we also recommended that the Arctic Council establishes a closer cooperation with the business community operating in the Arctic. I am pleased to see the progress under the Canadian Chairmanship of the Arctic Council in establishing an “Arctic Economic Council”, which will establish a closer link between two important actors in the Arctic – the business community and the governments. If this is done in the right way I believe it is a right step in managing risk in the Arctic in a better way.

My second conclusion will therefore be that the Arctic governments should listen more to the recommendations from the Arctic parliamentary cooperation, to make the Arctic Council more robust and ready to take on new challenges.

In my view there is one important weakness in the Arctic political cooperation; In the Ottawa declaration from 1996, the Arctic Council decided to exclude military security from the cooperation in the Council.

I can understand that it at the time of the Ottawa declaration in 1996 was necessary to take such a reservation into the declaration. However, in my view the Arctic we see today is very different from the one we had in 1996. In 1996 the Arctic cooperation was to a large extent still an environmental cooperation, and the cold war was still important an important political factor.

The situation in 2014 is different. The Chiefs of Defense and high level representatives from all eight Arctic states met at a Canadian military base in Goose Bay 12-13 April 2012 to discuss challenges with regards to emergency response and support to civilian authorities. Their cooperation continued at a meeting in Ilulissat, Greenland in June 2013.

We have seen joint exercises for the coast guard, military forces and civil authorities where all or many of the Arctic countries have participated. In November 2013 the US Department of Defense released its Arctic strategy. The strategy is positive to a closer cooperation on defense issues in the Arctic.

What we see is that the military forces in the Arctic countries have started to cooperate on many levels to meet present and future challenges in the Arctic. At the same time the Arctic Council has excluded itself from discussing the issue.

I find it strange that the political level in the Arctic shall not deal with military security issues. More important, I believe the absence of such a political dialogue can lead to misinterpretation of the development we see in the Arctic.

Because, the Arctic nations have all increased or are planning to increase their military presence in the Arctic. In my view this development in the Arctic is natural, legal and necessary to protect national sovereignty in a more open and accessible Arctic. The safety and security measures are there to meet the increased activities in the Arctic, and are not directed against any neighbors. I believe the lack of a political dialogue on these matters has made it easier to portray this development in the Arctic as a new cold war.

This leads me to the third conclusion– the absence of political dialogue on military security in the Arctic is not a good way to manage risk in the Arctic.

We need a table to sit at when discussing security. The Arctic Council could be that table.

I will therefore, together with some of my colleagues in the Arctic parliamentary cooperation, put this topic on the agenda of our cooperation and start a discussion on how we best can include military aspects of security in the Arctic into the political cooperation.

Dear friends,

Before I finish I need to address something which is very close to my heart.

The social benefits and costs are potentially huge in many of the development projects in the Arctic, especially related to exploitation of the natural resources. The impact for small societies when new industry is opening up, with potentially thousands of workers, is dramatic.

It is important that the local communities gain from the new activity. Developing the natural resources includes additional risks to the local environment and to the societies. For the local people to accept this risk as worthwhile, they need to see benefits from the activity. We cannot go into the North, take out the resources and ship away without any gain for the people living in the Arctic.

We must also make sure that when the resources are exhausted, the company must be responsible for leaving the land in best possible shape for future generations who are still going to have the area as their home. This is one reason why I believe a closer cooperation between the Arctic Council and the Arctic Business community, as mentioned earlier, is important.

Involving and including the local people in the economic development in the Arctic, will help to build strong communities in the Arctic, where people live their lives.

So let me share two thoughts with you;

I do think it is necessary to look into the economic models we use. I am not sure that they work well enough in helping us to set a right price for the burden human activity has imposed on the environment. And the economic models do



not include calculations on how we will ensure that the local people will get to participate in the development of new activities. That goes for civil capacity building, economic development and research and development in local businesses.

I think really have to look into this matter, for finding better balances between who will get the benefits from new activities in the north.

The second thought is on the global climate crisis. In the Arctic we see the consequences of first, and we will be one of the regions that will be hardest hit. And the cause of the problem is mainly other places than the Arctic. To solve the challenges we need an international agreement.

But getting 200 nations to agree on the topic has been a hard nut. As the Icelandic president mentioned yesterday, after the new observers came to the Arctic Council, half of the G20 countries are around the Arctic table. These countries account for around two thirds of the CO<sub>2</sub> emissions in the world.

I think it will be easier to get 20 countries to agree, than 200. So maybe the next binding agreement in the Arctic Council should be on CO<sub>2</sub> emissions?

Summing up, I will underline that the fact that the cooperation in the Arctic is very much still developing, is what makes the Arctic cooperation extremely interesting and stimulating to participate in.

To manage risk in the Arctic we will work to strengthen the Arctic Council, look into how military security can be included in the political cooperation in the

Arctic and make sure we develop healthy northern societies for people to live in.

Thank you for your attention.