

**REPORT OF THE SPECIAL REPRESENTATIVE FOR ARCTIC ISSUES,
MR. OLA ELVESTUEN, MP (NORWAY)**

The challenges for the Arctic area are geopolitical, environmental and economic, and human rights-related. They cut across all dimensions of human security that the OSCE covers. As special representative, I would like to report back to the Assembly about recent developments in the Arctic, and the challenges ahead.

Climate and environment

Climate change is resulting in serious environmental, security-related, and social challenges, including special challenges for indigenous peoples.

Never before have the temperatures in the Arctic been as high as last autumn. The average air temperature in November 2016 was 20° C above average. The Arctic sea ice extent for January 2017 averaged 13.38 million square kilometres, the lowest January extent in the 38-year long satellite record. This is even 260,000 square kilometres below the January 2016 measurement, the previous lowest January coverage, and 1.26 million square kilometres below the long-term average (January 1981 to 2010).

The warming climate is changing the Arctic dramatically, and the changes have global impacts. The melting sea ice will result in a new ocean opening up for parts of the year. The melting of the Greenland icecap has profound consequences for the Inuit people in Greenland, but will contribute to rising sea levels globally as well.

The melting of the sea ice opens the Arctic Ocean. The increased activity in the Arctic is first and foremost connected to the Ocean. New commercial shipping routes are opening up, cruise ships are entering more remote areas in the Arctic, and fishing vessels are following straddling fish stocks that are spreading further north as the ocean warms up.

The temperature in the Arctic is increasing twice as fast as the global average. This has dramatic effects for the region. As a case in point, the tundra is thawing and the ground is disappearing under roads and houses.

We need to intensify collaborative work towards sustainability and adaptation to climate change in the Arctic. I would like to emphasize the importance of the scientific work of Arctic countries and other relevant stakeholders, and the need to ensure the continuation of the research cooperation, including appropriate funding. Implementing the Paris Agreement and reducing the emissions of CO₂ are vital to stop the melting of the Arctic and preserve the right to be cold.

Economic activity

Less sea ice and less multi-year ice make the Arctic more accessible. The Arctic is rich in both human and natural resources and the increased access to, and knowledge of, these natural resources has attracted global attention and interest.

We are witnessing increased maritime activity in many areas. At Svalbard the number of conventional cruise vessel voyages is increasing year by year. In addition, there is a steady annual growth in the number of expedition cruise vessels and leisure vessels visiting Svalbard.

Traffic volume on the Northern Sea Route in 2016 increased by 35% in comparison with 2015, even though the numbers are still modest. However, according to a study by the MARPART Project¹, the high risk traffic is likely to increase in the area. Russian mineral transport and offshore oil and gas exploration may provide a significant increase in year-round high risk activity, including offshore service vessels, drilling rigs, dry cargo ships and shuttle tankers in icy waters. An increase both in transit traffic through the Northern sea route and in oil and gas traffic depends on the international economy and oil and gas prices.

On 20 December 2016 the Obama administration announced that it had banned new oil and gas off-shore drilling in large parts of the US Arctic. Canada followed up by announcing a five year ban on offshore oil and gas licences in the Arctic. In addition, Russia announced in September 2016 that it had put the issuing of new licences for drilling on its Arctic continental shelf on hold, and there is no activity related to oil and gas around the coasts of Greenland. Norway is releasing new licences for oil and gas development in the Barents Sea.

The Arctic is often portrayed as the last wilderness, with pristine nature and vast expanses. However this only forms part of the picture. The Arctic is also the home to four million people – for example 10% of the Norwegian population lives north of the Arctic Circle. Northern Scandinavia has well developed infrastructure for electricity and transport, with good universities and strong economic development. This is very different from the Arctic in North America, where infrastructure tends to be limited and the communities are small and relatively isolated. Furthermore, the climate conditions along the ice-free coast of Norway are very different from Northern Canada at the same parallel. It is essential to understand this when dealing with Arctic issues.

In many small communities in the Arctic, developing natural resources will create new opportunities for the people, including job creation. However, responsible development depends on cooperation with and understanding of the people living in the Arctic. Governments, the business sector and the people must work together.

The people who actually live in the Arctic are those who take the biggest risks when Arctic resources are developed. It must be clear to them that there will be advantages for them, that there will be long-term benefits, and that they will get to take part in the economic development happening in their homeland. In this regard it is important to exchange experiences and best practices about how industrial projects and traditional practices and industries can coexist and benefit from one another. It is vital to support relevant capacity building, particularly through education and training, to ensure that local communities will continue to benefit from economic development.

¹ “Maritime activity in the High North - current and estimated level up to 2025”, Project Report 1, MARPART (Maritime Preparedness and International Partnership in the High North):
<https://brage.bibsys.no/xmlui/bitstream/handle/11250/2413456/Utedning72016.pdf?sequence=1>

Reindeer husbandry is important for indigenous peoples in the circumpolar area. It is a part of the culture and the way of living, and reindeer meat is a key source of income. The further strengthening of cooperation between reindeer herders is crucial for ensuring a resilient reindeer herding culture in its interaction with modern society and other industrial development. All living resources should be harvested and developed based on the principles of sustainability.

The Ocean and its resources are and will be essential in the Arctic. We must be innovative in searching for new business sectors to develop, and build capacity locally to make sure that the economies are locally anchored, diversified and solid. This must be the basis for future, prosperous societies where people can live their lives. We should develop further access and improve safety for the people working, visiting and living in the Arctic, using the highest standards with a continuous focus on the development of new infrastructure and communication solutions with technology and satellites.

Political cooperation

The Arctic Council is the only circumpolar forum for political cooperation at government level, and has established itself as the primary forum for Arctic cooperation. Celebrating its 20th anniversary, the Council has shown that it can adapt to new challenges and take on new responsibilities.

The indigenous peoples of the Arctic have been given their rightful place as “permanent participants” in the Arctic Council. In my view it is of paramount importance that we ensure strong participation of the indigenous peoples in future Arctic cooperation. As permanent participants they must have the financial and human resources to participate fully in the Arctic cooperation.

The eight members of the Arctic Council all agree not to let disagreements elsewhere influence the cooperation regarding joint challenges in the Arctic. The cooperation continues in a constructive and positive spirit, and all the member states have made it clear that they aim to keep the Arctic as an area of cooperation and low tension.

As an example, Norway continues to collaborate well with Russia in the High North. The people-to-people cooperation and the coast guard collaboration are continuing despite tension in the bilateral relationship. On 4 March 2017 the visa-free border travel arrangement between Russia and Norway will extend its geographical scope to include more people living close to the Russian–Norwegian border.

Many of the challenges facing the Arctic are global. The climate crisis facing us has hit the Arctic first and hard. However the situation was not created in the Arctic and it cannot be solved in the Arctic alone. It is a global challenge with global solutions.

The Arctic Council has more than 30 observers, including 12 countries, and another 20 have applied for observer status. Decisions regarding observer status are expected on 11 May 2017 at the Arctic Council Ministerial Meeting in Alaska. The large number of observers to the Arctic Council shows the broad international interest for the development in the Arctic. This

is a legitimate interest, and I believe the member states must find better ways to involve the observers in addressing issues such as global warming and international shipping.

It is the responsibility of all the Arctic states, *and* those who seek to take part in the development of the region, to ensure that the Arctic continues to be an area of peaceful, international cooperation.

MANDATE FOR THE SPECIAL REPRESENTATIVE FOR ARCTIC ISSUES:

- Raise awareness in the OSCE Parliamentary Assembly regarding Arctic issues;
- Promote co-operation on Arctic issues within the OSCE PA among all Delegations, particularly within the Arctic region;
- Maintain contact with and follow up on the work of the OSCE regarding Arctic issues;
- Maintain contact with and follow up on the work of other international organizations dealing with and involved in the Arctic region;
- Monitor the situation in the Arctic region and report to the OSCE Parliamentary Assembly and to the President on relevant developments.