

# **Russian Policy In The Arctic And The Arctic Council**

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Only a week ago, on September 17<sup>th</sup>, the Security Council of the Russian Federation adopted a set of documents on the priorities of the Russian policy in the Arctic.

Speaking at the session of the Council, President D. Medvedev underlined the strategic importance of the Arctic to Russia, both to the country's economic development and to sustaining its competitiveness on the world market.

The Arctic is a major part of Russia and Arctic territories are now approximately 20 percent of Russian Federation territory. This figure could be further adjusted when the new Russian law on the exact composition of the Russian Arctic zone is prepared and adopted. The length of the Russian borderline facing the Arctic Ocean exceeds 20 thousand kilometers. Russian Arctic regions produce about 11 percent of the GNP of the country and 22 percent of its exports. As much as 90 percent of Russian natural gas, 90 percent of nickel and 60 percent of copper come from the Arctic, and major reserves of hydrocarbons and other mineral resources are concentrated there.

Russia is a major part of the Arctic. More than a third of Arctic territories are Russian and the Arctic regions of Russia represent the largest economy of the Arctic. Nearly half of the Arctic population lives in the Russian Federation. The North Sea Route is a major transport line between western and eastern parts of Eurasia. Russia holds 80 percent of "biodiversity" of the Arctic. Hence the importance attached to the Arctic and the legitimate attention of the world to the Russian politics in the Far North. Hence the strong interdependence between Russia and the Arctic and Russia's strong interest in stability, predictability and cooperation in the Arctic region.

The Security Council has put forward clear priorities in Russia's Arctic Strategy and President D. Medvedev has named them. The key task is to turn the Arctic into Russia's resource base for the twenty-first century. The main issue is the reliable protection of our national interests in the region and to ensure that, three concrete tasks have been put forward.

First, the establishment of a solid legal and regulatory framework for our activities in the Arctic by finalizing and adopting federal law on the Russian Arctic zone's southern border. This new law should clarify what particular territories of the Russian Federation are parts of the Russian "Arctic zone". Such a clear legal definition is needed to specify the

territorial scope of possible economic, investment, tax and other policies and privileges with a view of a speedy economic and social revival of these Russian Arctic regions.

Another separate and important task, not related to the law mentioned above, is fixing the outer limits of the Russian continental shelf. Russia was the first to present in 2001 its submission to the UN Commission on the outer limits of the continental shelf. Some additional scientific data is required to prove the relevance of our submission, and we shall work on those ourselves and with our partners. We remain committed to the existing international legal regime and mechanisms, above all Article 76 of UNCLOS and the UN Commission, and consider it sufficient for regulation in this regard. At the first ministerial meeting of the five Arctic coastal states in Greenland's Ilulissat this May we agreed to remain committed to an extensive international legal framework which applies to the Arctic Ocean, notably the law of the sea, and to the orderly settlement of any possible overlapping claims. There has been no change in the Russian position since that time.

Second, reducing the gap in development between the Russian Nordic regions and other regions. Considerable federal funds, including through a number of federal programmes, have already been invested in the northern regions. But there are still problems with ensuring this money is spent rationally for genuinely effective production and the creation of new jobs. It is also clear that budget funds alone cannot resolve the Arctic's problems. We need to combine the possibilities of the state, business community, and local self-government.

Modernizing transportation infrastructure is one of the most urgent priorities. The lack of roads, local air transport links (which for the most part have broken down in the post-Soviet period), modern river and sea ports and an ageing fleet, including the icebreaker fleet that is so important in this region, is a real obstacle for developing the Arctic's rich investment potential. Technical modernization of airports is a key issue in this context as air transport is practically the only type of transport link for remote districts.

At the same time, some groups of the population and non-profitable transport segments in the Far North cannot get by without support measures, and these measures should be provided.

The North Sea Route is one of the main links in the Arctic transport system. It plays a crucial part in ensuring timely delivery of supplies needed to the Far North. With climate change, it can become more accessible. There are still problems in this area and we need to work not just on restoring freight volumes to former levels but also on increasing them. The North Sea Route will be modernized with an up-to-date navigation, search and rescue system. We are going to develop it as one of the country's strategic national main transport routes.

The transport component of developing hydrocarbon reserves and their exports by sea also needs to be made more efficient.

Three, resolving the region's environmental problems is another priority we need to keep working on, including the implementation of the agreements reached at international forums. Protecting the environment and developing eco-tourism are among the conditions for preserving the northern indigenous peoples' way of life, and we shall take care of sustaining and developing indigenous peoples' culture and traditional industries and crafts.

In the spirit of the above, The Security Council has adopted the Policy Framework of the Russian Federation in the Arctic for the period of up to 2020. This document proceeds from the comprehensive approach to the task and entails substantial state financing that will be channeled through various state targeted programmes.

The new Russian Arctic Policy provides for further development of constructive cooperation in the Arctic, both bilateral with all our regional partners and multilateral, within the framework of the existing organizations. The two key such organizations, from our viewpoint, are the Arctic Council and the Barents/Euro-Arctic Council.

The Arctic Council has a unique mission: to address Arctic issues at a political level through multilateral cooperation, on the basis of consensus. In a way, the Council is the embodiment of the spirit of cooperation among the member states who face the same challenges of harsh living conditions of the Far North, of climate change, the protection of environment and traditional living cycles of indigenous peoples, as well as exploring and using its mineral reserves. Russia highly regards the achievements and potential of this forum and intends to further enhance its national contribution to the Council's endeavors.

The work of the Arctic Council already made and currently under way on such major sensitive issues as Arctic Climate Impact Assessment, Oil & Gas Assessment, Arctic Marine Shipping Assessment proves that it is capable of addressing serious problems and to work out consensus recommendations, however difficult this might be. In my mind, this reflects the correct balances of the regional composition of this forum; between the scope of its activities and the character of its "products" (assessments, recommendations and practical cooperation projects); between its internal arrangements and decisions and transparency and cooperation with non-member states and entities. Not least, the associations of indigenous peoples of the North hold a special role in the Council's proceedings. All these balances should be sustained in a very careful and responsible manner.

This does not mean that the Council is static. Each of the chairmanships, which rotate once in two years, tries to bring a new dynamic function to the Arctic Council and to the way

it organizes its work. Russia did that while chairing the Council in 2004-2006. Norway is doing that remarkably well during its current chairmanship of the organization. But most of the dynamic of the Arctic Council comes not from the novelties of its organization, but from choosing its subject-matters appropriately. This depends not only on the chairs, but on all member states who propose their leadership on the issue.

In the Russian view, there are two areas where such new dynamics can be attained and where Russia can contribute.

One is the establishment of the Arctic Council Projects Support Instrument. This idea, which has already been explored for a couple of years, seems to be taking shape now. Several countries, including Russia, have already made significant pledges and the preparation of the basic documents on the PSI is in full swing. If all the interested parties manage to agree on these documents and they are adopted at the next Arctic Council CSO session in November, it would mean that the PSI could begin to deliver starting next year. That would be a major boost to the Arctic Council practical activities, primarily in ensuring stability of activities in Russia within the list of priorities of ACAP (Arctic Contaminants Action Plan).

Another is to initiate practical work in the establishment of the regional prevention/safety/security system (or network) in regards to economic and infrastructural projects. This is a Russian initiative put forward in the Arctic Council last year. The idea is to collectively work out a set of standards, other measures of prevention, monitoring and elimination of man-made accidents in oil and gas exploration and transportation, in nuclear power plants and others. This process could be in phases, although we believe that we should proceed fast. As a first step, the Arctic Council member states could jointly evaluate the potential threats and find general agreement on the way forward. Some applicable assessments in this context are already being made within the Arctic Council undertakings, such as Oil & Gas Report and Arctic Marine Shipping Assessment. Russia expects that its initiative will be adopted by the Arctic Council to become the Arctic Council project. Meanwhile, we have already started contributing to the future project. A very productive and substantial international conference on these issues was organized jointly with our Swedish colleagues in Dudinka 1-3 September. On 1-2 October a large scale rescue exercise is organized in the new Varandey LUKOIL oil terminal in the Barents Sea. The observers from all Arctic Council member states have been invited and a conference on the outcome of the exercise will be organized right after in Naryan-Mar.

These two areas demonstrate the huge potential of further development of cooperation in the Arctic under the guidance of the Arctic Council and in the interests of all member

states. Contrary to alarmist reports that one sometimes sees in the media, expanded and transparent cooperation in the Arctic region can and should be the predominant trend in the North.

The same holds true when we consider the activities of the governmental Barents/Euro-Arctic Council, which the Russian Federation currently chairs. Coordinating the work of BEAC with the Arctic Council endeavors and the new European Union “Northern Dimension” policy, we see it as yet another positive example of Nordic cooperation in business, culture, ecology, tourism, health care, education, support of indigenous peoples, etc.

I believe that the adoption of the new Russian policy in the Arctic will be conducive to more cooperation in the Arctic and in the relevant regional organizations.

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