



An Icelandic fjord affords a stunning view of the aurora borealis, better known as the Northern Lights. Photo: Embassy of Iceland

# The Arctic Council—Entering Headwind?

Thordur Aegir Oskarsson

*Since its inception in 1996, the eight-member Arctic Council has evolved from a policy shaping body to a policy making one. As climate change has drastically increased both commercial and scientific interest in the region, the council has both broadened its observer membership and increased its strategic importance. But as recent geopolitical developments in Ukraine have shown, the Arctic Council is not immune from politics below the 60th parallel. Iceland's ambassador to Canada offers an informed third-party assessment.*

The Arctic Council has enjoyed a solid political tailwind for over a decade now, resulting in constructive work moving it from being an exclusively policy shaping body into the territory of pragmatic policy making. There are already two Arctic-wide agreements negotiated under its auspices, one on search and rescue and the other on prevention of oil spills. This has profiled the Arctic Council as one of the most robust and productive multilateral institutions today and even as a model for international cooperation.

However, there are signs that the council might be facing increasing challenges from within and in particular due to external events. The stewardship of the Arctic Council for the regional issues could now be tested more than ever before.

For most of the last century, the High North was considered a region where indigenous peoples eked out a living in traditional ways, a few hardy scientists did their work and cold warriors had a playing field for military hardware.

This changed radically when the Arctic Council came into being with the Ottawa Declaration of 1996. Since then, it has been the main forum for promoting cooperation in this large remote region among the eight member states—Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden and the United States. A unique aspect of this organization has been the permanent direct participation of regional indigenous peoples associations. In the beginning, the forum addressed common issues and concerns facing the governments of the Arctic countries and the indigenous peoples in the region, almost exclusively focused on science cooperation and environmental issues. At the time of the council's creation, peace and security were deliberately omitted from its mandate in order to secure full participation.

With the accelerating advance of global warming resulting in the rapid receding of the ice sheet in the Arctic, the global interest in this region has exploded. These environmental changes promise to open up a plethora of economic activity in the region, both in the exploitation of its immense natural resources and commercial shipping.

**T**his interest is manifested in the increased number of observer states in the Arctic Council, where the United Kingdom, Poland, Germany, Netherlands, France and Spain were joined by China, Japan, the Republic of Korea, Singapore, India and Italy in 2013. The dynamics in the Arctic have created a new arena where many of the

**With the accelerating advance of global warming resulting in the rapid receding of the ice sheet in the Arctic, the global interest in this region has exploded. These environmental changes promise to open up a plethora of economic activity in the region, both in the exploitation of its immense natural resources and commercial shipping.**

global political and economic heavyweights, apart from the eight member states, are seeking long term presence and even influence over Arctic development.

During its mere 18 years of existence, the Arctic Council has matured and transformed into a successful forum for treaty negotiations, wide ranging agreements and practical activities related to environmental protection and sustainable development. It has not lost sight of its global responsibility and has, through the extensions of observer status, recognized the importance of developments in the Arctic for the world community.

**During its mere 18 years of existence, the Arctic Council has matured and transformed into a successful forum for treaty negotiations, wide ranging agreements and practical activities related to environmental protection and sustainable development.**

For centuries, Iceland's economic well-being and livelihood have been shaped by the natural riches and climatic conditions of the North. Being so heavily dependent on the resources of the Arctic in all its main industries: i.e. fisheries, tourism and energy, a responsible and favourable development of the Arctic region is essential for Iceland.

Iceland, as the smallest member of the Arctic family, has been especially keen on strengthening the regional cooperation taking place within the Arctic Council and reinforcing its role as the primary international body for consultations on all Arctic issues, including moving from policy

shaping to a more assertive policy making role.

In that spirit, the government of Iceland has identified developments in the Arctic as a priority in its foreign policy. There is a broad consensus in the Parliament based on a comprehensive policy platform agreed to by the Althingi in 2011. The policy emphasizes the importance of strengthening relations and co-operation with other states and stakeholders in facing and responding to the emerging challenges and opportunities in the region.

**Iceland, as the smallest member of the Arctic family, has been especially keen on strengthening the regional cooperation taking place within the Arctic Council and reinforcing its role as the primary international body for consultations on all Arctic issues.**

**T**he main policy principles include promoting and strengthening the Arctic Council as the most important consultative forum and decision-making body on Arctic issues; securing Iceland's interests as a coastal state within the Arctic region; resolving differences that relate to the Arctic on the basis of the United Nations Convention on the Law of the Sea; developing agreements and promoting co-operation with other states and stakeholders in the Arctic region; and safeguarding broadly defined security interests in the Arctic region through civilian means and to work against any kind of militarization of the Arctic.

The Icelandic Arctic Policy in essence promotes a holistic view of the re-





Iceland is the smallest member of the Arctic Council family, which includes Canada (the current chair), Denmark, Finland, Norway, Russia, Sweden and the United States. Photo: Embassy of Iceland

gion. Although, as others, Iceland sees economic opportunities in the receding of the ice cap, the opening of alternative sea routes and the potential extraction of minerals, gas and oil, Iceland is very much aware of the related threats and challenges. These are not military threats or challenges and in fact, Iceland deems the risk of military confrontation in the Arctic as extremely low.

**The importance of engaging the business community as responsible partners in economic development of the Arctic is paramount to ensure that any business activity adheres to highest standards regarding environmental protection of the Arctic, safety and relations with the local communities.**

The challenges and threats are rather environmental and connected with

increased economic and marine activities in the Arctic, be they related to oil production or other resource developments, increased transportation of oil and gas, increased traffic of cruise ships or accidents of any sort. The Arctic Council is successfully addressing many of these security challenges, which the recent Arctic SAR Agreement and the forthcoming Oil Spill Agreement address.

With Canada now at the halfway point in its two-year chairmanship of the Arctic Council, it is too early to assess the results. Iceland has actively supported the main priorities of the Canadian chairmanship where the emphasis has been on sustainable development of natural resources for the benefit of the economic future of the circumpolar region. The first steps taken earlier this year towards establishing the Arctic Economic Council are a welcome development. The importance of engaging the business community as responsible partners in economic development of the Arctic is paramount to ensure that

any business activity adheres to highest standards regarding environmental protection of the Arctic, safety and relations with the local communities.

However, in spite of the recent successes there are reasons to be concerned as to the future developments on the Arctic front.

**Already, the Arctic agenda has, in a limited way, been affected by the political developments currently taking place regarding the Ukraine. In fact, certain meetings of the Arctic Council are already suffering because of sanctions against Russia.**

**A**lready, the Arctic agenda has, in a limited way, been affected by the political developments currently taking place re-

garding the Ukraine. In fact, certain meetings of the Arctic Council are already suffering because of sanctions against Russia. The current question is how much Arctic cooperation will be affected by these events. Although the main substantive work of the Arctic Council regarding sustainable development, environmental protection and general safety is presently not at the risk of being compromised, there are clouds on the horizon.

**There are already signs of fragmentation. The five Arctic “coastal” states, have carved out the fisheries as a subject matter exclusively for their discussion. One can argue that this goes against the spirit of the Arctic Council.**

There are already signs of fragmentation. The five Arctic “coastal” states, have carved out the fisheries as a subject matter exclusively for their discussion. One can argue that this goes against the spirit of the Arctic Council. Iceland has been working on guaranteeing its place as an Arctic coastal state and emphasizing that a strict geographical delineation when addressing such an important issue is unsatisfactory and the legal, economic and ecological aspects of Iceland’s position in the Arctic should be re-

spected. The formation of such sub-groupings or even unilateral actions could dilute the role and legitimacy of the Arctic Council.

All Arctic Council member states have strong national interests in the development of the region regarding territorial and/or resource claims. There are international mechanisms in place for solving territorial claims, most importantly the 1982 United Nations Convention on the Law of the Sea, and their usage for solving such disputes, if any, should be continuously emphasized. Although the military issues are not part of the Arctic Council agenda, all the participating states have strong security and safety interests when it comes to this expansive region.

Iceland’s foreign minister, Gunnar Bragi Sveinsson, has emphasized the importance of ensuring Iceland’s security interests in the Arctic and defined security issues as one of the five broad themes or challenges that should be addressed in its Arctic policy. Iceland, a NATO member, has long emphasized the necessity of “situational awareness” as regards the High North, arguing that it is an important aspect of NATO’s role as a security provider. Sveinsson has further stated that the increased international importance of the Arctic

region has increased its link with the developments in the security field in other parts of the world.

Academic experts have actually pointed out that the risk of interstate conflict in the Arctic region might stem from global developments that could spill over to the Arctic region, rather than from within the region itself and could therefore not be dealt with by existing Arctic governance mechanisms. The turn of events relating to Russia and Ukraine seem to lend some support to this argument.

The relatively successful work of the Arctic Council since its launch in 1996 has always been characterized by pragmatic cooperation among the eight Arctic state members. World history would lead to the conclusion that the scale of foreseen Arctic commercialization and resource development will more than likely lead to greater security challenges that the present rudimentary arrangements for Arctic governance will not be able to handle. It is therefore of critical importance that the Arctic Council continues to play its constructive role in handling the Arctic agenda in a transparent and cohesive way. The stakes are high, even more so for smaller partners such as Iceland. **P**

*Thordur Aegir Oskarsson is  
Ambassador of Iceland to Canada.  
[thordur.aegir.oskarsson@utn.stjr.is](mailto:thordur.aegir.oskarsson@utn.stjr.is)*



# iPOLITICS

iPOLITICS.ca – Canadian politics at your fingertips.

## Subscribe today

*iPolitics.ca*