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**JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE
COUNCIL**

**Developing a European Union Policy towards the Arctic Region: progress since 2008
and next steps**

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JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

Developing a European Union Policy towards the Arctic Region: progress since 2008 and next steps

Executive Summary

As climate change and economic development accelerate in the Arctic region, the European Union should step up its engagement with its Arctic partners to jointly meet the challenge of safeguarding the environment while ensuring the sustainable development of the Arctic region. Nowhere is climate change more visible than in the Arctic, which is a vital and vulnerable component of the Earth's environment and climate system. The melting of the Arctic sea ice is progressing rapidly, resulting in self-accelerating global warming¹, and affecting ecosystems as well as the traditional livelihoods of indigenous peoples.

This joint Communication of the Commission and the High Representative sets out the case for increased EU engagement in Arctic issues. It follows an application by the European Commission on behalf of the EU for permanent observer status on the Arctic Council co-signed by Vice President Ashton and Commissioner Damanaki as well as a visit by High Representative / Vice President Ashton to the Arctic (Rovaniemi, Kiruna and Svalbard) in March 2012. Since 2008, when the Commission adopted its first Communication on the Arctic, the EU has established itself as a key supporter of the Arctic region. It has raised awareness of the impact it is having on the Arctic environment and of the potential for sustainable development in the Arctic region for the benefit of both the local Arctic population and the EU.

Indeed, the rapidity of change in the Arctic provides a strong rationale for the EU's commitment to environmental protection and the fight against climate change. It also calls for increased EU investment in climate change research in the Arctic, as a basis for further global and regional action.

- 2005-2010 has been the warmest period ever recorded in the Arctic.
- The Arctic Ocean is projected to become nearly ice-free summer within the next 30 to 40 years.
- Arctic glaciers, ice caps and the Greenland Ice Sheet contributed over 40% of the global sea level rise observed between 2003 and 2008.

(Source: Arctic Monitoring and Assessment Programme, 2011 assessment of the impacts of climate change on Snow, Water, Ice and Permafrost in the Arctic (SWIPA))

The changing Arctic landscape is now opening up to new transport lanes and the exploitation of both natural and mineral resources. While this will be of benefit for the regional and global economy, it will also have repercussions on the Arctic's fragile environment if not managed

¹ The ice melting enhances the dramatic effects of climate change in the Arctic and in particular the acceleration of global temperature increase through lower albedo.

with the utmost care. New technology and an extensive knowledge base will be required to ensure economic opportunities do not come at the expense of the highest environmental standards and the preservation of the unique Arctic environment.

- According to the US Geological Survey (2009), the Arctic holds 13% of undiscovered oil and 30% of undiscovered gas supplies.
- Extending from Europe to Asia, the Northern Sea Route could shorten the time taken by cargo vessels to travel between the Pacific and the Atlantic by about one third. For instance, the Yokohama-London route via the Suez Canal is 11,447 nautical miles and would be around 7,474 nautical miles via the Northern Sea Route.
- 88% of the EU's total output of iron ore is produced in the Barents Region.
- There are approximately 4 million people living in the Arctic. Indigenous peoples make up about 10% of the total Arctic population.

The Arctic is an area of growing strategic importance. It is an example of successful international co-operation contributing to peace and security in the region. The recent conclusion of the Treaty between the Kingdom of Norway and the Russian Federation concerning Maritime Delimitation and Cooperation in the Barents Sea and the Arctic Ocean is a positive example of such cooperation. Arctic states co-operate on the basis of the existing international legal order, notably the UN Convention on the Law of the Seas. The Arctic Council is emerging as the leading regional body, in which all Arctic states, as well as indigenous peoples, are represented.

The European Union has an important role to play in supporting this successful co-operation and in helping to meet the challenges that now confront the region. The European Union is the world's strongest proponent of greater international efforts to fight climate change, through the development of alternative energy sources, resource efficiency and climate change research. It has three (and with Iceland potentially four) Arctic Council states amongst its members. The European Union is also a major destination of resources and goods from the Arctic region. Many of its policies and regulations therefore have implications for Arctic stakeholders. The European Union wants to engage more with Arctic partners to increase its awareness of their concerns and to address common challenges in a collaborative manner.

Elements of the EU's Arctic contribution :

- **Fighting climate change:** The EU is on track to meet its Kyoto target, has incorporated its 20% greenhouse gas reduction commitment into law and is committed to the long-term target of 80-95% reduction of its emissions by 2050.
- **Research on the Arctic environment:** The Commission has carried out a pioneering assessment of the EU's current and future Arctic footprint which shows that the EU has a significant impact on the socio-economic and environmental aspects of the Arctic region.
- **Investing in sustainable development in the North:** The EU is providing over €1.14 billion to develop the economic, social and environmental potential of the Arctic regions of the EU and neighbouring areas for 2007-2013.
- **Reducing future uncertainties and monitoring changes in the Arctic region:** The EU, through the Seventh Framework Programme (FP7), has contributed around €200 million of EU funds to international research activities in the Arctic.
- **Shipping and maritime safety:** As almost 90% of EU external trade is carried out at sea, the EU has significant experience in shipping, ship-building, satellite navigation, search and rescue as well as port infrastructure development.

This Communication reviews the EU's contribution to the Arctic since 2008, and sets a path for future engagement with Arctic partners. Taking a comprehensive approach to Arctic issues, this new Joint Communication underlines the need for a coherent, targeted EU approach towards the Arctic, building on the EU's strengths, promoting responsible development while engaging more extensively in dialogue and cooperation with all Arctic stakeholders.

The Commission and High Representative are proposing to further develop the EU's policy towards the Arctic. The EU will

- Support research and channel **knowledge** to address the challenges of environmental and climate changes in the Arctic;
- Act with **responsibility** to contribute to ensuring economic development in the Arctic is based on sustainable use of resources and environmental expertise;
- Intensify its constructive **engagement** and dialogue with Arctic States, indigenous peoples and other partners.

In the first part of this Joint Communication, the Commission and High Representative propose a set of building blocks for the EU's constructive engagement in the Arctic to tackle the challenge of sustainable development and to promote the effective stewardship of the ecosystem.

The second part of the Communication responds to the Council's request for follow-up to its Conclusions on Arctic issues² and the European Parliament's Resolution on a sustainable EU policy for the High North³. It highlights the increasing range of activities the EU is undertaking in the region and reviews the issues outlined in the Commission Communication on "The EU and the Arctic Region", published in November 2008⁴. Further detailed information on the progress made in the policy areas mentioned in this Communication is included in two accompanying documents:

1. Staff Working Document 'Inventory of activities in the framework of developing a European Union Arctic Policy';
2. Staff Working Document 'Space and the Arctic'.

The Commission and High Representative will moreover engage in a broad dialogue and consultation process with Arctic states, indigenous peoples and other relevant stakeholders. This will assist the EU in further refining its policy stance and ensure that the EU's future contribution to the Arctic has the support of regional stakeholders and is supportive of the common actions of Arctic states.

The Commission and High Representative look forward to discussions with the Council and European Parliament on this Communication.

Part 1 Meeting the challenge: the Way Forward

In 2008, the Commission set out three main policy objectives:

- protecting and preserving the Arctic in unison with its population;
- promoting the sustainable use of resources;
- international cooperation.

EU action since 2008 has led to tangible results⁵ in the fields of environmental protection, research, and economic development, and the particular emphasis on the protection of the Arctic environment remains the cornerstone of the EU's policy towards the Arctic. However, given the evident speed of change in the Arctic, the time is now ripe to refine the EU's policy stance towards the region, take a broader approach, and link it with the Europe 2020 Agenda for smart, sustainable and inclusive growth while continuing to support every effort to ensure the effective stewardship of the fragile Arctic environment. In addition, the EU's contribution on Arctic issues should be supportive of the efforts of Arctic states and take account of the needs of indigenous and local communities.

² Council Conclusions on Arctic Issues, 2985th Foreign Affairs Council Meeting, Brussels, 8 December 2009.

³ P7_TA(2011)0024 of 20 January 2011

⁴ COM(2008) 763 of 20 November 2008.

⁵ An overview of key activities and results are set out in the second part of this Communication as well as the Staff Working Paper "Inventory of Activities in the framework of developing a European Union Arctic Policy".

This document therefore briefly sets out a way forward that can be summarised in three words: **knowledge, responsibility and engagement**.

1. KNOWLEDGE

Faced with potential global temperature rises, robust scientific understanding is needed of the scale and speed of climate change in the Arctic and how this is affecting the rest of the world. Sustainable development in the Arctic will rely heavily on continuous measurement of how increasing human activity is affecting the region's fragile environment. The EU will therefore target its actions on knowledge: to further our understanding of the Arctic by investing in Arctic research, developing Arctic monitoring from space, supporting information and observation networks, while building know-how and technical expertise.

1.1 Developing environmental expertise and dialogue and enhancing the protection of the Arctic environment

The EU is committed to protecting the global environment and will support every effort to ensure the effective stewardship of the fragile Arctic environment.

- The EU will work with others to combat global climate change, to safeguard the Arctic environment, and to improve scientific knowledge to meet these challenges.
- For instance, in April 2012 the European Commission joined the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants. This initiative should complement the necessary UN efforts to reduce global greenhouse gas emissions.
- The EU is committed to establishing a legally binding global instrument to cover the life-cycle of mercury use under the auspices of the United Nations Environment Programme (UNEP), which is of particular importance to the Arctic region.

1.2 Meeting tomorrow's challenges through research

Under the Europe 2020 flagship initiative "Innovation Union"⁶ and Horizon 2020⁷, the proposed investment programme for research and innovation for 2014-2020, the Commission is refocusing the EU's research and innovation policy on the challenges facing our society. These include climate change, energy and resource scarcity, health and demographic change, as well as water and food security. Policy-relevant results will be sought in order to inform economic and political decision-making. The proposed funding for Horizon 2020 (€80 billion) represents a significant increase on previous EU research programmes, and will allow the EU to make an even more significant contribution to Arctic research. The Commission will also:

- continue its outreach to other parts of the world, including Arctic Council members, in pursuit of international solutions to societal challenges that transcend Europe;

⁶ COM(2010) 546 of 6 October 2010

⁷ COM(2011) 808 and accompanying proposals COM(2011) 809, COM(2011) 810, COM(2011) 811 and COM(2011) 812 of 30 October 2011

- step up cooperation with Arctic partners on the roll-out of research infrastructures which need to be developed on an international scale.

The EU will therefore seek broad cooperation with states that are active in the field of multidisciplinary Arctic research and in establishing research infrastructures. The alignment of Arctic research programmes will be an important contribution to knowledge and will increase the efficiency of research programmes while maximising their impact.

Due consideration will be given to the social and economic dimensions of the challenges, such as climate and environmental change and its impact on local populations and economic activity.

1.3 Harnessing information

Bringing together existing information sources is the best way of making sure that policymakers are well informed and that the development of the Arctic can proceed in a manner that is responsible and brings benefits to Arctic states and local communities:

- Building further on its landmark ‘EU Arctic Footprint and Policy Assessment’⁸, the Commission will further promote the sharing of information with Arctic states and other interested parties to support policymaking. This would also include information from operational monitoring and observation, remote sensing, research as well as community-based monitoring and traditional knowledge.
- The Commission will implement a preparatory action, approved by the Budgetary Authority with a budget of €1 million, for a strategic assessment of the impact of development in the Arctic. The project will also follow up the suggestion in the 2008 Communication to explore possibilities for creating a European Arctic Information Centre and, for this purpose, will test the feasibility of an Arctic information platform based on a network of leading Arctic research centres and universities within and outside the EU.

The EU will work with Arctic states on enhancing monitoring and surveillance capabilities, including the use of satellites.

- Earth-orbiting satellites are essential tools for communication, navigation and observation in the Arctic. EU satellite programmes are already providing considerable support to those living and working in the region. This will be enhanced with the planned deployment of Galileo and the new Sentinel satellites under the Global Monitoring for Environment and Security (GMES) Programme. The Sentinel satellites will enable the thickness and extent of sea ice to be monitored. In addition, they could contribute to the implementation of the recent agreement between the Member States of the Arctic Council on Search and Rescue.
- The EU is developing, in cooperation with Member States, a platform to pool data on the state of the seas in and around Europe and high-resolution sea-bed mapping, by 2020. The sea-bed maps could provide assistance in establishing safe transport routes in Arctic waters.

⁸ <http://arctic-footprint.eu>

- The EU will support the Shared Environmental Information System initiative (SEIS), and put in place a network providing online access to environmental data, as well as the recent establishment of the Sustained Arctic Observing Network (SAON), designed to strengthen international engagement on coordinated pan-Arctic observing and data sharing systems that serve societal needs, particularly related to environmental, social, health, economic and cultural issues.

2. RESPONSIBILITY

The EU has strong links with the Arctic: not only from historical, economic and geographical perspectives, but also as an importer of natural resources and through its wider concern and responsibility of the global environment. The Arctic offers both challenges as well as opportunities that will significantly affect the life of European citizens in future generations. With these challenges and opportunities come responsibilities. The EU believes it should contribute responsibly to the Arctic, through its funding programmes as well as promoting safe and sustainable management and use of resources in the region.

2.1 EU funding for sustainable development

Over recent years EU regional funding and other cooperation programmes and agreements have invested substantially in the development of the Arctic region. The geographic scope of some programmes covers not only EU Member States, but also includes Greenland, Iceland, Norway and the Russian Federation.

- By reinforcing and interlinking the various funding initiatives at its disposal (European Regional Development Fund (ERDF), European Social Fund, Cohesion Fund, European Agricultural Fund for Rural Development, European Maritime and Fisheries Fund and the Instrument for Pre-Accession Assistance) the EU can have a positive impact on the development of the Arctic for the benefit of local communities and indigenous peoples. In the spirit of the Europe 2020 strategy, the Commission would be willing to discuss with relevant Member States on how the funding opportunities under the 2014-2020 multi-annual financial framework could contribute to this objective. It will be important to ensure that the programmes financed by the EU are effective, accessible, and meet the development needs of local populations.
- As its largest contributor the EU is committed to the Support Fund of the Northern Dimension Environmental Partnership (NDEP), which provides grants to projects in the Barents region of the Arctic for environmental and nuclear clean-up activities. Work is continuing on the Archangelsk Municipal Water and Wastewater Services project with an €8.2 million grant. The project will reduce direct discharges of waste water and improve energy efficiency.
- The geographic scope and priorities of future external action, regional and cross-border cooperation programmes (e.g. Northern Periphery) could be broadened to allow more circumpolar cooperation and ensure that the EU's contribution to development across the Arctic region is maximised.

2.2 Promoting the sustainable management and use of resources

The Arctic states and the EU have a shared interest in ensuring that the Arctic's natural resources both on land, at sea, and at or below the sea-bed are utilised in a sustainable manner that does not compromise the Arctic environment and benefits local communities.

- In view of increasing mining and oil extraction activities in the Arctic region, the EU will work with Arctic partners and the private sector to develop environmentally friendly, low-risk technologies that could be used by extractive industries. For example, Nordic-based mining companies as well as universities and researchers are crucial partners in related FP7 projects such as ProMine⁹ and I²Mine¹⁰. A proposal for a Regulation on the safety of offshore oil and gas prospection, exploration and production activities¹¹ was presented by the Commission on 27 October 2011.
- The Commission proposal for a strengthened partnership between EU and Greenland also provides for the possibility to cooperate regarding the protection of Greenland's environment, while ensuring the development and diversification of its economy. The partnership would also allow for an enhanced dialogue on natural resources in order to share know-how and experience. In the framework of the EU-Greenland partnership, a letter of intent on co-operation in the area of mineral resources was signed on 13 June.
- Arctic shipping should also be developed sustainably. While there is no immediate prospect of year-round shipping in Arctic waters, the EU is prepared to assist in the development of sustainable shipping, for example in the Northern Sea Route. Safety and environmental impacts are major concerns in this regard. The Commission and EU Member States are following developments in Arctic sea transport closely, including the traffic and frequency of merchant ships and cruise passenger vessels on the Northern Sea Route, the North-West Passage or Arctic waters in general, as well as any practices or requirements of coastal states with effects on international navigation. The EU, through the Commission and Member States, supports the development of a mandatory "Polar Code" by the IMO. The Galileo satellite system for global navigation and positioning, when operational from 2014, should in conjunction with similar systems also support increased safety and Search and Rescue (SAR) capability in the Arctic.
- As shipping accidents could cause significant damage to the environment, the Commission, with the assistance of the European Maritime Safety Agency, is therefore supporting the work of the Arctic Council on emergency preparedness, prevention and response measures as well as following up on the recommendations on maritime safety from the 2009 Arctic Marine Shipping Assessment.
- As a major consumer, importer and technology provider of energy and raw materials, the EU has an interest in the resource policy developments in the Arctic states. The EU will look to build stable and long-term partnerships with suppliers such as Canada, Norway, the Russian Federation, the US and other relevant partners. As a

⁹ <http://promine.gtk.fi/>

¹⁰ <http://www.i2mine.eu/>

¹¹ COM(2011) 688 of 27 October 2011

priority, within the scope of the external pillar of the Raw Materials Strategy¹², the EU will actively pursue a raw materials diplomacy with relevant Arctic states with a view to securing access to raw materials notably through strategic partnerships and policy dialogues. Moreover, sustainable management of resources would provide a significant contribution to the social and economic development of, for example, the Barents Region.

- One third of fish caught in the Arctic are sold on the European market. Studies show that this figure could increase as fish stocks may move north as a result of warming seas. The EU is keen to ensure good cooperation with Arctic states in the sustainable management of marine biological resources. The EU supports the exploitation of Arctic fisheries resources at sustainable levels based on sound scientific advice, while respecting the rights of local coastal communities. In doing so, the EU continues to advocate a precautionary approach whereby, prior to the exploitation of any new fishing opportunities, a regulatory framework for the conservation and management of fish stocks should be established for those parts of the Arctic high seas not yet covered by an international conservation and management system. Indeed, the need for joint management of high seas fish stocks has been raised by the Commission at meetings of the North Atlantic Fisheries Ministers Conference. Regional Fisheries Management Organisations (RFMOs) could in principle extend their geographical scope for this purpose.
- As regards the issue of sealing, the Commission will report before the end of 2012 on the implementation of Regulation 1007/2009 in EU Member States, including the application of the exemption allowing for trade in seal products from hunts conducted by Inuit and other indigenous communities that contribute to their subsistence. The EU will respect the outcome of on-going procedures regarding this Regulation in the WTO and before the Court of Justice of the EU.
- The EU will explore further potential for innovative economic activities, such as the further development of the sustainable tourism, including eco-tourism, and renewable energy sectors. Indeed, Arctic tourism, in particular involving cruise ships, is increasing. The Commission supports and participates in the reviews and discussions taking place in the IMO, the Arctic Council and elsewhere on increasing cruise passenger ship safety the Arctic, especially in areas with limited search and rescue capability. EU regional as well as cross-border and transnational programmes for covering the Arctic regions of the EU support several projects developing new approaches to tourism in the Arctic¹³, such as the project Tourist Guide for Northern Periphery,¹⁴ which is developing innovative information services for tourists.

3. ENGAGEMENT

The EU intends to refine its developing Arctic policy in close cooperation with its Member States, the five non-EU Arctic states as well as local inhabitants, including indigenous peoples. Arctic states play a primary role in the region, both individually as well as in regional bodies. The EU acknowledges that an extensive legal framework applies to the Arctic Ocean,

¹² COM (2011) 25 of 2 February 2011

¹³ <http://www.interregnord.com/en/projects/north/1-trade-and-industry-development.aspx>

¹⁴ <http://www.northernperiphery.eu/en/projects/show/&tid=82>

including the UN Convention on the Law of the Sea (UNCLOS) and other relevant international instruments¹⁵, and considers UNCLOS as a key basis for the management of the Arctic Ocean. It also recognises the remarkable international cooperation already established between Arctic states and within the different Arctic regional fora. Maintaining good international cooperation in the Arctic region and supporting the region's stability is a key interest of the European Union.

The EU considers the Arctic Council to be the primary forum for international cooperation in the region. The Commission services, the European External Action Service (EEAS) and EU agencies have participated as *ad hoc* observers in Arctic Council meetings and engaged actively in its working groups. The Commission applied, on behalf of the EU, to become a permanent observer to the Arctic Council on 1 December 2008. Since criteria for the admission of observers were adopted in May 2011, updated information was submitted by the Commission in a letter co-signed by Vice President Ashton and Commissioner Damanaki to the Chair of the Arctic Council, Swedish Foreign Minister Carl Bildt in December 2011. Observer status, as defined by the Arctic Council itself, would allow the EU to intensify cooperation and make a positive contribution to the work of the Council. It would allow the European Union to gain detailed understanding of the concerns of Arctic partners, which will be important when developing its own internal policies. Observer status would complement the EU's Arctic engagement through the Barents Euro-Arctic Council and the Northern Dimension. The EU's engagement will include the following:

- The EU will seek to step up its cooperation on Arctic matters in its bilateral dialogues with all its Arctic partners - Canada, Iceland, Norway, the Russian Federation and the United States.
- The EU's engagement in Arctic matters will be further enhanced by Iceland's prospective EU membership (Iceland applied to become a member of the EU in June 2009) and contribute to addressing common concerns. The ongoing accession negotiations provide an additional framework to discuss certain policies relating to the Arctic.
- As regards Greenland, relations with the EU are defined by the Overseas Association Decision and the comprehensive EU-Greenland partnership. On 7 December 2011, the Commission submitted a legislative proposal to renew the partnership for the period 2014-2020¹⁶. As part of the future partnership, the Commission has proposed an enhanced dialogue on Arctic issues that would not only allow the EU to gain additional understanding of remote Arctic societies, but also allow for the sharing of valuable know-how on issues of mutual concern.
- It is critically important that the views of Arctic inhabitants are taken into account on issues of economic development. The EU will look at appropriate ways of ensuring that the representatives of Arctic indigenous peoples are informed and consulted on the EU policies that affect them, and are given appropriate platforms to present their particular concerns to EU institutions and audiences. With this aim, the Commission

¹⁵ The extensive overviews of the relevant instruments are contained in reports produced within the 'Arctic TRANSFORM' <www.arctic-transform.eu> and 'EU Arctic Footprint and Policy Assessment' <http://arctic-footprint.eu/sites/default/files/AFPA_Final_Report.pdf>.

¹⁶ COM(2011) 846, 7 December 2011

and the EEAS will step up their efforts to hold regular dialogues with indigenous peoples.

- The EU will pursue its involvement within relevant international frameworks on Arctic issues such as biodiversity, ecosystem-based management, persistent organic pollutants, marine protected areas, international navigation, environmental and maritime safety standards. This should be based on existing international law, international conventions and agreements, and in cooperation with international bodies, such as the UN, the Arctic Council and the International Maritime Organization (IMO). The EU will also consider ways in which it can support the effective implementation of agreements adopted by the Arctic Council.
- The Commission will continue to cooperate with international partners on reporting and assessments of the state of the marine environment. It will also continue to promote the use of strategic environmental impact assessments in a transboundary context through compliance with the Espoo Convention¹⁷. For example, the Commission has continued its dialogue on the Espoo Convention with the Russian Federation, which, in July 2011, launched internal procedures to ratify that convention. In addition, cooperation has been intensified on environmental monitoring under the EU-Russia Partnership for Modernisation.
- On ecosystem management, the EU will continue working through the Oslo and Paris Conventions for the protection of the marine environment of the North-East Atlantic (OSPAR) to establish a network of marine protected areas in the Arctic and to assess the suitability of existing measures to manage oil and gas extraction activities in extreme climatic conditions given their potential environmental impact. The Commission and EU agencies also contribute to work on this issue under the Arctic Council's Protection of the Arctic Marine Environment Working Group. At the same time, the EU continues to suggest within competent UN bodies that biodiversity in areas beyond the reach of national jurisdictions should be protected, possibly under UNCLOS.
- The EU will also enhance its outreach to Arctic non-governmental organisations. The Commission has also intensified dialogue with stakeholders on environmental policy. A project for the establishment of an NGO dialogue on Arctic environmental issues was launched in July 2011. An NGO forum convened for the first time in January 2012, with the aim of meeting twice a year.

Part 2 Summary of the EU's contribution to the Arctic since 2008

Responding to the Council Conclusions of December 2009, this second part of the Joint Communication highlights the increasing range of activities the EU is already undertaking in the region and reviews the issues outlined in the Commission Communication on "The EU and the Arctic Region", published in November 2008. The EU has an important and growing contribution to make to address the challenge of effective environmental protection while developing the Arctic's economic potential in a sustainable manner. This commitment is evidenced by a wide range of activities in the Arctic region focussing on issues such as

¹⁷ The Espoo Convention on Environmental Impact Assessment in a Transboundary Context is a United Nations Economic Commission for Europe (UNECE) Convention signed in Espoo, Finland, in 1991 that entered into force in 1997.

climate change, environmental degradation, the sustainable management and exploitation of energy, raw materials and fishing resources as well as new economic activities such as tourism and new routes for maritime transport. The importance of dialogue with the Arctic States and the indigenous peoples in the region is emphasised.

1. PROTECTING AND PRESERVING THE ARCTIC IN UNISON WITH ITS POPULATION

Climate change and environment

Progress is being made to ensure the necessary global reduction of greenhouse gas (GHG) emissions by all major emitters. The EU is on track to meet its Kyoto climate change commitments, and has incorporated its 20% greenhouse gas reduction commitment into law. The Commission has published a "Roadmap for moving to a competitive low carbon economy in 2050"¹⁸. EU action in the area of Key Enabling Technologies, in particular a contribution of high technologies to clean energy production is another element. Taken together, these will have a major impact in reducing Arctic pollution impacts from climate change. The EU also helped to forge the Durban Platform for Enhanced Action in December 2011¹⁹, calling for a new comprehensive legal instrument to be agreed by 2015. The EU has also continued to play a prominent role in international efforts to reduce pollution from Persistent Organic Pollutants through both the Stockholm Convention and the Convention on Long-range Transboundary Air Pollution of the United Nations Economic Commission for Europe.

The "EU Arctic Footprint and Policy Assessment"²⁰ report was published in January 2011. It provides an overview until 2030 of the impact which the EU can have in nine areas including biodiversity, transport, energy, fisheries and climate change. Other research projects benefitting from EU funds (e.g. CLEAR and ArcRisk) are filling critical knowledge gaps on the impact of trans-boundary pollution on the health of Arctic populations. The EU has also promoted use of impact assessments through compliance with the Espoo Convention on environmental impact assessment in a transboundary context and its protocol on strategic environmental assessment. The Commission has continued its dialogue on the Espoo Convention with the Russian Federation, which, in July 2011, launched internal procedures to ratify that convention. In addition, as a priority under the EU-Russia Partnership for Modernisation, cooperation has been intensified on environmental monitoring. The European Environment Agency (EEA) has agreed with its Russian partners on a number of initiatives on joint environmental monitoring, particularly in the Arctic, including the creation of a system to collect and share pollution data from water and air, long range transport of pollutants and improved management of waste and hazardous chemicals.

An agreement on emergency prevention and response in the Barents region, negotiated in the framework of the Barents Euro-Arctic Council (BEAC), was signed by the relevant states in 2008 and ratified by the parties.

¹⁸ COM(2011) 112, 8 March 2011

¹⁹ United Nations Framework Convention on Climate Change (COP 17 in Durban)

²⁰ <http://arctic-footprint.eu>

Support to indigenous peoples and local populations

The EU has been actively involved in working towards the adoption of the United Nations Declaration on the Rights of Indigenous Peoples. The EU seeks to integrate human rights and indigenous issues into all aspects of its internal and external policies, including its political dialogues with third countries and in regional and multilateral organisations. The EU also provides financial support to civil society organisations working on indigenous issues, in particular through the European Instrument for Democracy and Human Rights (EIDHR).

The Commission has entered into a regular dialogue with the indigenous communities of the Arctic. On 9 March 2010, the Commission hosted an “Arctic Dialogue” workshop²¹. The initiative was well received by participants who underlined the importance of involving indigenous peoples' representatives in decision making. The Commission met again with representatives of Arctic indigenous peoples in Tromsø, Norway, in January 2011. The EEA also invited Arctic indigenous peoples' groups to a workshop in June 2011 to discuss use of lay, local and traditional knowledge in monitoring the Arctic environment and assessing trends and changes affecting the Arctic population.

The EU provides a significant amount of funding through various initiatives to indigenous groups and local populations. Funding programmes during the 2007-2013 co-financing period amount to €1.14 billion, or €1.98 billion including EU Member States co-financing:

- The 2007-2013 European Regional Development Fund (ERDF) set aside €4.3 million in the cross-border Sápmi sub-programme to support the Sami population in developing its cultural life and industry in a sustainable manner²². Additionally, Interreg IVA North²³, the programme of which Sápmi is a part, with EU funding of €34 million (total €57 million) has the objective of strengthening the attractiveness and competitiveness of the northernmost regions of Finland, Sweden and Norway.
- Similar objectives govern the Botnia-Atlantica²⁴ programme in covering northern regions of Finland, Sweden and Norway (EU funding of €34.4 million out of a total of €60.9 million) and the Sweden-Norway Interreg IVA programme²⁵ (EU funding of €37 million out of a total of €68 million).
- The Northern Periphery Programme²⁶ involving Ireland, Finland, Sweden and the United Kingdom as well as the Faroe Islands, Greenland, Iceland and Norway (with possible participation of the Russian Federation and Canada), has a budget of €59 million, of which EU funding amounts to €35 million. The Programme aims to help remote communities in northern Europe develop their economic, social and environmental potential;

²¹ <https://webgate.ec.europa.eu/maritimeforum/content/1831>

²² Total funding €6.7 million. <http://www.interregnord.com/en/projects/sapmi/4-sapmi-borderless-development.aspx>

²³ <http://www.interregnord.com/en/projects.aspx>

²⁴ <http://www.botnia-atlantica.eu>

²⁵ <http://www.interreg-sverige-norge.com/>

²⁶ <http://www.northernperiphery.eu/en/projects/main/>

- The transnational Baltic Sea Region Programme²⁷ (of which EU funding amounts to €217 million out of €278 million), finances the Bothnian 'Green Logistic Corridor' to connect northern Scandinavia and the Barents with end markets in the Baltic Sea region and central Europe;
- In the 2007-2013 period ERDF invests € 243 million in the North Sweden programme and € 177 million in the Mid-North Sweden programme to increase the competitiveness of the regions.²⁸ Sami issues are integrated into the different priority areas;
- The Northern Finland ERDF Programme²⁹ is operating with an overall budget of €1.1 billion, of which €311.3 million comes from the EU budget. The programme's priorities include measures specifically designed for the Sami, supporting entrepreneurship and business based on the Sami culture;
- The Kolarctic programme³⁰ is one of 13 cross-border cooperation programmes currently co-funded under the European Neighbourhood and Partnership Instrument (ENPI) and ERDF. The 2007-2013 budget of the programme amounts to €70.48 million, of which €28.24 million is EU funding. Northern regions of Finland, Sweden, Norway and the Russian Federation participate in the programme.
- In the sub-Arctic part of the Barents region, another cross-border cooperation programme – the Karelia programme³¹ - is operating with an overall budget of €46.5 million, of which €23.2 comes from the EU budget and the remaining part consists of contributions from Member States and the Russian Federation;

The Northern Dimension Partnership in Public Health and Social Well-being (NDPHS) has developed a work plan to improve mental health, prevent addiction and promote child development and community health among indigenous peoples. The work plan is to be implemented by 2013.

On the issue of sealing, there was widespread public consultation³², including with indigenous peoples, prior to the adoption of EU Regulation 1007/2009 on trade in seal products. Challenges to the legislation have been made by the Inuit community. One application was rejected in September 2011 by the Court of Justice of the EU on the grounds of inadmissibility³³; a second case is pending. A World Trade Organisation panel has also been constituted to review the ban at the request of Canada and Norway.

Research, monitoring and assessments

Collectively, the EU and its Member States have made a leading contribution to Arctic research over the last 10 years. Around €200 million of EU funds has been allocated to Arctic research. The EU promotes research focussed on sustainable development and global

²⁷ http://eu.baltic.net/Project_Database.5308.html?&&contentid=70&contentaction=single

²⁸ <http://www.tillvaxtverket.se/huvudmeny/euprogram/programomraden/ovrenorrland> and <http://www.tillvaxtverket.se/huvudmeny/euprogram/programomraden/mellerstanorrland>

²⁹ http://ec.europa.eu/regional_policy/atlas2007/finland/fi1a_en.htm?4

³⁰ <http://www.kolarcticenpi.info/ourprojects>

³¹ <http://www.kareliaenpi.eu/en>

³² http://ec.europa.eu/environment/biodiversity/animal_welfare/seals/seal_hunting.htm

³³ Order of the General Court, 6 September 2011, Case T-18/10.

environmental change aimed at furthering the understanding of their co-relation with natural processes affecting the Arctic, putting particular emphasis on climate change and increasingly on its impact on local populations and economic activity.

Twelve projects launched since 2008 under the EU's Seventh Framework Programme for Research (FP7) are helping to close gaps in the above fields and to enhance long-term monitoring and data availability on natural and man-made processes in the Arctic. A further eight projects support the creation of new leading research networks and infrastructures in Europe, while strengthening existing ones. The EU's research programmes harbour close relationships with all Arctic states. The Faroe Islands, Norway and Iceland are countries formally associated to FP7 and as such enjoy equivalent rights to EU Member States under this instrument. In addition, the EU has Science and Technology cooperation agreements with Canada, the Russian Federation and the US involving research programmes in the fields of environment, health, fisheries, transport, energy and space. Research partners from these countries regularly participate in FP7 actions.

The EU and projects supported through FP7 actively contribute to international efforts to promote polar research and align international research agendas. Examples of this include the International Polar Year 2007-2009.

In terms of enhancing monitoring and surveillance capabilities, the EU supports the Shared Environmental Information System initiative (SEIS), which aims to modernise current reporting systems and put in place a network providing online access to data. The quality and timeliness of Arctic environmental information should therefore improve and eventually lead to better knowledge-based decision making. In addition, the EU supports other programmes and initiatives with relevance to the Arctic region, such as the Global Monitoring for Environment and Security (GMES), the Group on Earth Observations (GEO) and the Global Earth Observation System of Systems (GEOSS). The EEA has also been active in establishing the Sustained Arctic Observing Network (SAON).

2. PROMOTING SUSTAINABLE USE OF NATURAL RESOURCES

Hydrocarbons and raw materials

Since access to raw materials remains an important element in the EU's drive to move to a high-technology and high value-added economy, the Commission has adopted a Communication on Commodities and Raw Materials which reinforced the three pillar based approach to achieving sustainable supply of raw materials: supply from global markets (external pillar), sustainable supply from sources in the EU and recycling and resource efficiency.

The Commission also recently adopted a Communication entitled "EU Energy Policy: Engaging with Partners beyond Our Borders"³⁴, setting out a comprehensive strategy for the EU's external relations in energy by improving transparency on energy agreements with third countries, strengthening coordination between Member States and developing energy partnerships with key countries.

³⁴ COM(2011) 539 of 7 September 2011

Transport

A key EU policy objective remains full compliance with international law and principles as defined in UNCLOS, including the principles of freedom of navigation and the right of innocent passage³⁵. A study on "Legal Aspects of Arctic shipping" was completed in April 2010³⁶.

Efforts to establish multi-modal trans-European connections are taking place through the development of Trans-European Networks, which also cover Europe's High North. These are of direct benefit to the Arctic. In addition, Memorandum of understanding on the Northern Dimension Partnership on Transport and Logistics (NDPTL) is now entering in its operational phase, with the identification (for future endorsement by the partners) of an infrastructure network and potential priorities on transport related projects.

3. INTERNATIONAL COOPERATION

The EU's evolving policy on the Arctic aims to establish a coherent and comprehensive approach on matters where the Arctic region has an impact on the EU and vice versa. This is based on existing international law (notably UNCLOS) and cooperation with international bodies, such as the Arctic Council and IMO, as well as with Arctic states, autonomous territories, indigenous peoples, local populations and other stakeholders.

Since 2008, the EU has substantially increased its involvement in Arctic cooperation, notably through its engagement with the Arctic Council and Arctic Council members. The Arctic Council remains the most important forum for international cooperation in the region, and its recent agreement on Cooperation in Aeronautical and Maritime Search and Rescue in the Arctic is an important indicator of its development.

Regional cooperation also takes place through the Barents Euro-Arctic Council, of which the Commission is a member, and the Northern Dimension (ND), which is a common policy of the EU, Iceland, Norway and the Russian Federation. The 2010 ND Ministerial meeting instructed the ND Steering Group "to consider ways to develop the ND Arctic Window without duplicating work within the mandates of the Arctic Council or the Barents Euro-Arctic Council". The ministers noted that consideration would be needed to be given to how indigenous peoples could be included in deliberations. The Steering Group has invited indigenous peoples' representatives to participate in meetings and requested that ND partnerships and initiatives consider further actions regarding the Arctic.

Cooperation also takes place bilaterally with Arctic States. Arctic cooperation is regularly included in the agendas of bilateral meetings with the Arctic states, including Canada, the Russian Federation and the US - strategic partners of the EU. The visits of the High Representative / Vice President Ashton and Commissioner Damanaki in the Arctic areas in Finland, Sweden, Norway, including Svalbard, and Greenland underlined the importance of the region and provided opportunity for firsthand assessment of the changes as well as possibility to discuss the challenges with local populations, Saami and Inuit representatives and Arctic experts.

³⁵ Transit passage also being stated in the Council Conclusions

³⁶ <https://webgate.ec.europa.eu/maritimeforum/content/2396>

In addition, the EU Delegations in Arctic states have a significant role in communicating relevant EU policy to governments and the public as well as informing EU on national Arctic activities of relevance in the Arctic states.

Regarding Greenland, the current partnership allows for policy dialogue on areas of mutual interests, beyond targeted financial aid, such as research, raw materials and energy. During the period 2007-2013, Greenland will receive EU financial support amounting to €25 million per year in 2006 prices. The targeted sector for financial cooperation in the period 2007-2013 is education and both Greenland and Denmark have expressed an interest in maintaining that focal sector for the future financial period (2014-2020). The EU-Greenland Partnership is complementary to the EU-Greenland Fisheries Partnership Agreement (FPA), and defines the EU's financial contribution for development beyond the area of fisheries. Given that the current protocol to the FPA will expire end of 2012, a new three-year protocol was successfully initialled in February 2012. Under the terms of the new protocol, the EU will annually provide a financial contribution, including sectoral support, to Greenland, to a maximum amount of €17.8 million. In 2010, the EEA and Greenland signed a cooperation agreement to support sustainable development and to protect and improve the environment through targeted, relevant and reliable information to policymakers in Greenland and Europe. In January 2012, the EEA and the Greenland Ministry of Health signed a cooperation agreement covering environment and health issues.