

2014 North Pacific Arctic Conference on International Cooperation in a Changing Arctic



Summary Report
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International Cooperation in a Changing Arctic
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East-West Center Honolulu, Hawai'i



Overall sessions

- **Session 1**
Business: Patterns of Arctic Investment
- **Session 2**
Strategies: National Arctic Policies
- **Session 3**
Policy: Arctic State/Non-Arctic State Engagement
- **Session 4**
R&D: Innovations Applicable to the Arctic
- **Session 5**
Arctic People: Indigenous Responses to Arctic Development
- **Session 6**
Roundtable: Opportunities for International Cooperation in a Changing Arctic



Session I.

Business: Patterns of Arctic Investment

- Three broad questions
 - 1) What is the magnitude of investment in Arctic projects and trends over time in this regards, both onshore and offshore
 - 2) Who are the potential investors (private corporations, state-owned enterprises, governments)?
 - 3) What are the likely growth areas for investments in the future? What factors will determine trends in this area?



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Session I.

Business: Patterns of Arctic Investment

- **Key messages**

- 1) Due to revolution in unconventional gas and oil, increasing costs, and pressure for short-term dividends from shareholders, oil industry is reluctant compared to several years ago to venture into Arctic offshore project.
- 2) Some argue that Arctic projects are marginal and are among the first to be cut if prices fall, whereas others argue that oil companies will still be interested.
- 3) In terms of mineral projects, focus is on Russia but legal framework and climate for investments is not conducive to such projects.
- 4) Arctic states take differing approaches to government involvement: US & Canada - private capital / Russia & Norway - government involvement
- 5) Arctic issue in the US is not mainstream whereas it is high political priority and visibility for Russia. Russian development in the Arctic region will be highly contrasted against the US if this continues.
- 6) In need of huge investments for resource development and transportation infrastructure: perhaps create a regional development bank different from a commercial one

Session II.

Strategies: National Arctic Policies

- **Key questions**

- 1) Does the country have an overall Arctic strategy or policy?
- 2) Are there sectorial policies, for example, on shipping, oil and gas, fisheries, or foreign relations?
- 3) To what extent is there a balance between development and environmental protection?
- 4) What institutional arrangements exist to develop national policy, for example, a lead department, interdepartmental committee or task force?
- 5) What has spurred or hindered the development of Arctic policy?
- 6) What is the status of national policy implementation?
- 7) To what extent are Arctic issues considered in national positions and approaches in international fora, for example, in climate change negotiations and implementation of the Stockholm Convention on Persistent Organic Pollutants?





Session II.

Strategies: National Arctic Policies

- **Commonalities**

- 1) Three Arctic States are similar in having established overarching Arctic policies
- 2) Three Asian States all have not yet formulated a comprehensive Arctic policy, but growing political attention and public awareness

- **Differences**

- 1) Russia has the clearest policy vision for international shipping with detailed plans for supporting infrastructure
- 2) Canada and US are less clear. Canada may be sensitive about NWP used as international navigation; US does not place heavy importance on Alaska
- 3) Korea is the most advanced with Arctic Policy Master Plan; Japan gives a “secondary treatment”; China is considering Arctic policy formulation

- **Challenges**

- 1) Canada’s emphasis on economic development in the Arctic in its chairmanship may not be in accord with other Arctic State priorities
- 2) Ensuring implementation of national Arctic policies could be a potential problem
- 3) Understanding the status and roles of bilateral agreements and arrangements in the Arctic
- 4) Confronting the difficulties of interagency coordination and multilevel governance

Session III.

Policy: Arctic State / Non-arctic State Engagement

- Four key questions

- 1) What are the lessons from past engagements by non-Arctic states in Arctic Council working groups or subsidiary bodies? What are the rules, criteria and working group operating guidelines for non-Arctic state participation in council activities, including working groups and other subsidiary bodies?
- 2) Are there particular trans-regional issues relevant to the Arctic that non-Arctic states can highlight as areas for possible cooperation?
- 3) Are there examples of bilateral or multilateral cooperation between Arctic states and non-Arctic states in other fora that might provide models or best practices for cooperation in relation to the Arctic?
- 4) What are the particular circumstances of non-Arctic state/Permanent Participants relationships in the context of working group activities?



Session III.

Policy: Arctic State / Non-arctic State Engagement

- **Key messages**

- 1) The Arctic is a dynamic region; transformative change in the high latitudes and linkages between the Arctic and the global system are growing stronger.
- 2) The Arctic is not immune to geopolitical changes in the world at large.
- 3) The extent to which the fate of the Arctic is affected by the actions of outsiders who often pay little attention to the consequences of their actions
- 4) No single existing or potential forum represents a complete answer for Arctic state/non-Arctic state engagement. A “mix and match” strategy should be considered.
- 5) Engagement is a two-way street: A balanced approach stressing both interests and responsibilities will be the key to progress in navigating the Arctic/non-Arctic interface.
- 6) The Arctic Council is evolving as a central forum for Arctic state/non-Arctic state engagement; however, there remains significant frustration about the effectiveness of existing structures and arrangements.
- 7) A growing need to think about distinguishing between those issues that can be dealt with effectively in Arctic venues (e.g. the Arctic Council) and those that require action within broader global venues.

Session IV.

R&D: Innovations Applicable to the Arctic

- **Case studies of Canada and Korea**
 - Canada: funding and building a new fiber optic cable to deliver government services
 - Korea: developing a new ice model tank to support routing strategies in ice
- **Several key issues**
 - Better coordination and collaboration
 - Establishment of a compendium
 - New infrastructure related to information system
- **Additional arctic technologies**
 - Seabed, under ice technology
 - Ice navigation training system
 - Satellite monitoring of sea ice
 - Online education from remote Arctic regions
 - Telemedicine





Session IV. R&D: Innovations Applicable to the Arctic

- **Key messages and themes**
 - 1) Many new Arctic technologies particularly in the maritime shipping and offshore hydrocarbon development; aimed at improving efficiency and also enhancing systems safety.
 - 2) Ways to coordinate and enhance collaboration among the various Arctic state and non-Arctic state national strategies for research in the Arctic.
 - 3) The proprietary nature of much of what is developed in the commercial world.
 - 4) New technologies are needed for the measurement of Arctic sea ice thicknesses to improve understanding of sea ice changes in volume, and improve maritime domain awareness in coastal Arctic regions
 - 5) Presentation of new and advanced Arctic technologies should be made at Arctic Council working group meetings and other Council venues to better acquaint the diplomats and government experts.
 - 6) Arctic R &D should be better linked to the improvement of environmental stewardship.

Session V. Arctic Peoples: Indigenous Responses to Arctic Development

- **Five questions posed**

- 1) How will large-scale resource development in the Arctic affect nearby communities
- 2) Are there opportunities for local communities to benefit from resource development while remaining sustainable in social and cultural terms?
- 3) Can Arctic communities assert and exercise rights in the face of resource development driven by outside private and public actors?
- 4) Will increased participation in the Arctic council on the part of observer states dilute or even drown out the voices of the Permanent Participants?
- 5) How can indigenous communities across the circumpolar Arctic effectively participate in and influence the development of government policies with such dramatically different policy and legal arrangements in the eight Arctic countries?





Session V. Arctic Peoples: Indigenous Responses to Arctic Development

- **Changes that are affecting the indigenous**
 - Global policy-makers, economic decision-makers, and researchers have utmost interest in the Arctic, but need better informed about the indigenous people and how these changes are affecting their lives
- **Need for an indigenous-oriented perspective**
 - Policies are often framed in global perspectives and are not necessarily made for what is right of good for Arctic communities
 - Rights-based approach will bring more benefits
- **Examples of impacts of change**
 - Example 1) Historic reindeer herding: Reindeer herding is increasingly faced with a reduction of spatial flexibility in the available pastures
 - Example 2) Historic subsistence cultures: Climate change impacting ice formation -> migration patterns of marine mammals
- **Rights-based approach & indigenous knowledge**
 - Indigenous voices, along with scientific findings, are considered important to take into account in responding to climate and other environmental changes

Session VI.

Roundtable: Opportunities for International Cooperation in a Changing Arctic

- 3 questions asked

- 1) Do recent biophysical and socioeconomic changes in the Arctic alter either the need for international cooperation regarding the region or the feasibility of achieving effective cooperation to address emerging needs?
- 2) What are the appropriate venues for pursuing international cooperation regarding Arctic issues (e.g. bilateral settings, the Arctic Council, intergovernmental venues like the International Maritime Organization)?
- 3) What is the proper division of labor in this realm among public arrangements, private initiatives, and public/private partnerships?





Session VI.

Roundtable: Opportunities for International Cooperation in a Changing Arctic

- **Visions of Arctic development and paths to sustainability**
 - Often focus on megaprojects requiring large-scale capital investment
 - Alternatives exist that are more compatible with sustainable development
 - Both projects can proceed at the same time, but different issues are laid ahead
- **Funding mechanism**
 - Potential mechanisms are multilateral arrangements, international banking consortia, funding arrangement under Arctic council, bilateral arrangements by public agencies, private project funding
 - Challenge is to develop the skill needed to make use of a variety of funding mechanisms
- **Role of the Arctic Council**
 - Problems: many projects but little capacity; no funding mechanism of its own; widening gap between SAO and WGs; unintegrated observer states
 - Arctic Council is still central to pursuit international cooperation, but no consensus on how to maximize the effectiveness of the council going forward
- **Broader factors**
 - Emphasize the importance of open information/data and to take steps to ensure that all parties concerned are on an equal footing with regard to knowledge regarding the nature of the issues at stake

CHARS, Cambridge Bay Photos



Thank you!

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