



EuroDéfense-France

THE ARCTIC,
OCEAN OF THE FUTURE FOR THE SECURITY AND THE
STRATEGIC AUTONOMY OF THE EUROPEAN UNION

EXECUTIVE SUMMARY



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During the last decades, global interest for the Arctic, an area of 25 million square km of which 14 million for the Arctic ocean, increased due to the climate change which led to the melting of the ice cap and the thawing of the permafrost. The attention of the global players is attracted not only by energy and natural resources but also by new maritime routes. This creates new environmental challenges and leads to potentially dramatic changes to international trade, which will contribute to the globalization of this area. This evolution is one of the reasons for the growing interest of the large global players for the governance of this area, in the first place of which the People's Republic of China, India or Singapore. These changes went not unnoticed by the EU, which, as early as 2002 under the Danish presidency of the Council, showed its intent to be a global actor by introducing the concept of "Arctic window" into its Nordic dimension. As reaffirmed in a resolution of the European parliament in March 2014, this concern was endorsed last May by the foreign affairs Council, which considered that Europe should reinforce its contribution to the Arctic cooperation. It pleads "for an active commitment of the EU with its Arctic partners in view of meeting the challenges of sustainable growth, in a prudent and reasonable way".

1. THE ARCTIC, A GEOPOLITICALLY STABLE AREA

One of the first observations is that Arctic was not the theatre of territorial confrontations for several decades. The border between Norway and Russia has remained the same since the 13th century; the border between Canada and the US dates back to 1821. The litigation between Russia and Denmark relating to the Barents sea was settled, for its part through negotiations in 2010. Today there is no unsettled territorial claim. As to disputes regarding the extension of the continental shelf, they cannot be considered as territorial claims as they do not relate to emerged areas indeed.

The Arctic ocean is governed by the UN Convention on the Law of the Sea (1982) which is *one of the main factors of this stability*. As such, a mechanism of peaceful settlement of conflicts has been put in place which allows each state to present its claims regarding the continental shelf to a commission.

The creation of the Arctic Council, which regroups today eight members and six institutional representations of minorities, is another source of stability as it constitutes an important forum within which many environmental concerns related to the area are treated.

In spite of these political and legal instruments, the geostrategic situation is about to change again, in particular due to the possible exploitation of the underground wealth, in particular hydrocarbons. In this context, in order to meet certain of these challenges, the EU actively contributes, under the umbrella of the International Maritime Organisation (IMO), to the drafting of a polar code, which should enter into force in 2016.

In terms of security and defence, the Arctic remains a pacific area. However, the strategy of president Vladimir Putin remains ambivalent on many aspects, as he sometimes promotes purely peaceful objectives while ordering at the same time an increase in the Russian military presence. Thus, Moscow intends to protect its immense offshore hydrocarbon fields in this area, which need to replace the ineluctable depletion of its onshore oil resources.

As far as the Atlantic Alliance is concerned, its Secretary General declared that he is not in favour of a militarization of the Arctic, privileging negotiations in order to settle peacefully any and all disagreements.

2. THE ARCTIC, A GEOPOLITICALLY ATTRACTIVE AREA

For a couple of years, beyond the issue of Exclusive Economic Zone (EEZ), each bordering state has been showing more and more its will to affirm its sovereignty (public statements; acquisition of military means; build-up of forces and of military activities):

- The US began to map the subsea surface in this area. This apparently pure scientific comeback is not without more strategic meaning;
- Russia began an important rearmament of its forces and develops an increasing military activity in the area (strategic bomber patrols above the Atlantic, submarines in the Arctic);
- Canada regularly uses a military rhetoric and considers the far North as an area of primary importance, according to its strategy statement “Canada First”). Its forces in the area remain however still discrete (rangers and limited naval forces);
- Norway considers that it needs the allied forces of the Atlantic Alliance, through the joint military exercises (“Cold Response”), without so far suspending its cooperation with Russia.

However, beyond issues of pure security, many important direct and indirect issues make the Arctic an increasingly strategic area.

As regards energy, it is the second liquid gas reserve in the world with a share of 25% and holds 13% of the world oil resources with 84 billion barrels.

However, 80% of these reserves are in deep offshore, which makes drilling hazardous (difficult to overcome an oil spill). Hence, their exploitation has not begun (drilling and exploration were suspended by GAZPROM and TOTAL). Also, uncertainties regarding future oil prices make the profitability of this exploitation questionable, due to extremely high development and operating costs. JP Morgan’s expectations are for a price decline below 90USD/bbl before 2020 while the American Energy Agency think that they could increase up to 235USD/bbl by 2040.

As regards minerals (gold, ruby, diamonds, nickel, zinc, rare earths and uranium), 95% of the resources lie within the privileged 200 miles area from each of the bordering state. Greenland, an autonomous territory, lifted its moratorium on the exploitation of uranium and might become one of the main producers of rare earths. The Inuit island (third largest reserves on earth with 600,000 tons) might well become subject to many greeds. The EU will have to pay particular attention to the evolution of this territory, still subject to Danish sovereignty.

As regards fish resources, the stocks are becoming scarcer, and some of them are already threatened in northern Canada. Thanks to the 4 million sq km of sea which will soon become free of ice, fishing in the Arctic should increase. Ambassador Michel Rocard has requested a study of the issues facing the fishing activities in the Icy ocean (over-fishing; pollution; threats; reproduction rates and piracy) as well as a common regulation.

As regards waterways, the Northeast (off Siberia) or the northwest route would very significantly shorten the journeys (8,080 miles through the Northeast route instead of 10,520 miles through the Suez canal). The Northeast route would probably be preferred to the Northwest route due to its difficulty and dangers.

3. THE ARCTIC, A GEOPOLITICAL AREA OF GREAT INTEREST FOR THE EU

3.1 *The EU, a legitimate – although contested – player in the Arctic*

For the EU, the Arctic represents natural resources, an international crossroads, and, moreover, its northern frontage. This justifies its awareness of the importance to develop policies in this regards. However, the EU remains contested in this area in spite of the fact that some of its members are bordering states, which should make the other bordering states more welcoming. Alas, the latter prefer to develop protectionist strategies and are not much open to other states which are interested in Arctic issues.

Similarly, the members of the Arctic council show some contempt vis-à-vis the other international players. One of them is Canada, which uses this strategy in order to limit the role of the EU within the Arctic council, as a countermeasure for a litigation concerning the trade of products derived from seals. Moreover, the interdiction imposed on the observer states to attend the next economic council of the Arctic is equally significant of the logic of “*pré-carré*”

Thus, in this so fragile strategic area, such policies by no means serve the superiors interests of mankind; on the contrary, the international priority should be to preserve it as a shared patrimony (heritage) and the spearhead of the fight against climate change. In 2015, the 28 members of the EU must seize the double opportunity of the change in the presidency of the Arctic council and of the next conference on climate change in Paris in order to elaborate a strategy and common proposals.

3.2 *In this context, which European policies for the Arctic?*

The EU has a strategy for each maritime basin, including the Arctic, which can be summarized as follows: “knowledge, responsibility and commitment”, as emerges from the following policies:

3.2.1. The Arctic: a Nordic dimension assumed by the EU

The Nordic dimension of the Arctic, defined in 1999, was renewed during the Helsinki summit (24 November 2006). As such, Brussels, with Iceland, Norway and Russia, commits to promote “dialogue, economic cooperation and sustainable growth”, the three pillars of the European policy in the Arctic. In order to support this area, the EU has committed since 2002 a financial assistance of 100 million euros of which 84 million were allocated to the support fund for the environmental partnership, destined to finance projects related to the pollution of oceans such as the dismantling of the Russian nuclear arsenal on the Barents sea or the refitting of water treatment facilities.

On another side, the EU 2014-20 programme for the Nordic periphery and the Arctic deals with ecotourism. It allows the EU to participate to the development of tourism in the Arctic in a way which is sustainable and ecological. So do the discussions engaged by IMO and the Arctic council which aim at reinforcing the security of the cruise ships. This programme is currently in the process of being approved by the European parliament before being submitted to the EU Commission.

In terms of European policy for the Arctic, various texts were successively issued and, after a period of relative hesitation, 2014 seems to mark a regain of interest and activity. In its conclusions in May 2014, the European council requested that a more advanced and consistent Arctic policy be developed before the end of 2015. This horizon is coincident with the Climate Summit, which provides the EU with an opportunity to grab.

3.2.2. A European involvement in space

Cooperation in the domain of space through the Copernicus project is susceptible to increase the visibility and the impact of the European action in the Arctic. It will also allow to expand the surveillance of the Arctic environment. The satellite network as well as the sensors on land, under the sea and in the air will allow to intervene in the domains of oceanology, meteorology and security.

So, the Union will propose services concerning the security of the maritime routes (Northwest and Northeast) in an accurate, reliable and continuous way, and will allow the industry to reduce its transportation costs. It will then be endowed with an efficient tool which will allow to contribute to the international policy for maritime transportation in the Arctic and to weigh on the decisions of the Euro-Arctic council of Barents.

This space project of the EU should allow Brussels to produce in 2014 detailed maps of the evolution of the thickness of the ice floe and of the ice cap, which will contribute to guide decisions by the EU regarding protection of the environment. Thus, thanks to Copernicus, Europe will be strengthened on the scientific front and will consolidate its soft power.

3.2.3. A vast European programme of scientific cooperation:

In the last years, Europe supported two research programmes on the Arctic. The DAMOCLES programme (2005-2009), shared by 45 laboratories (from 10 European countries, the US and Russia), is an observatory system allowing to test and improve global and regional climate forecast models and thus to better forecast changes affecting the Arctic and their impact on the global warming process. The immediately following ACCESS programme (Arctic Climate Change, Economy and Society; 27 laboratories from 9 European countries, and Russia), launched on 1st March 2011, aims at studying the socio-economic impacts of changes in the Arctic.

3.2.4. The option of a deepened partnership between the EU and Greenland.

At the same time on the shore of the Arctic ocean and an autonomous country within Denmark, Greenland has a singular status on the Arctic chessboard. It is also the only Danish territory among the overseas territories associated with the EU, from which it receives 69 Million euros per year in terms of fishing and educational assistance.

As European companies represent only 15% of those which trade with Greenland and participate only modestly to prospecting activities, the EU realised the importance of building and consolidating its industrial and energetic partnership. This is why Brussels and Nuuk signed in 2012 a cooperation agreement regarding the crucial issue of mineral resources and rare earths, which consolidates the partnership signed in July 2006. It will allow Greenland to access increased exploration and production capacities and Europe to increase its presence in the area.

The communication of 7 December 2011 sets also the conditions of a renewed partnership over the period 2014-2020 by instituting a dialogue and a cooperation on the subjects of common interest: climate change, environment, maritime transportation, research and innovation. The geographically strategic position of Greenland in the Arctic, the importance of issues linked to the exploration and production of natural resources (rare earths, gold, precious stones, zinc, iron...) which stir up certain appetites (in particular from China), and, on the other hand, the structural weaknesses of its economy, justify a new partnership. Even if the objective of such cooperation is, in particular, to help Greenland diversifying its economy over the long term, developing information systems and to adjust to the

strategic priorities of “Europe 2020” and to the Arctic policy of the EU, Greenland is still generally absent from the recent documents produced by the European authorities.

As Greenland is still subject to Danish sovereignty in the fields of defence and foreign policy, NATO seized the opportunity to install on its soil a base which constitutes a crucial element of its defence policies in terms of radar surveillance. It is also up to the EU to capitalise on this geographic asset, which would allow her to fully exert its influence on these northern territories, all the more so as Denmark expressed its wish to be supported in this domain.

CONCLUSION

At the outset of this study, it appears clearly that the Arctic, the security of which does not seem to be questionable in the short term, offers good prospects for the future. However, it cannot be dismissed that external tensions might find there a favorable terrain. In the short run, the main challenge seems to consist in combining a fragile environment, with different strategies for the exploitation of natural resources, from where might emerge the main sources of friction in this area. Finally, the question of the evolution of the relationship with Russia will condition significantly the future of projects in the Arctic. Be it about the exploitation of deposits or about scientific cooperation, the recent crisis and the sanctions taken towards Russia by the international community may deeply affect the evolution of an area which is, by the day, more and more strategic for the world and for the EU.

In this context full of challenges for the future, Europe has clearly a role to play. A legitimate role, as an entity bordering the Arctic, a zone into which it already invested a lot in scientific research.

Several measures could be taken in order to preserve the interests of the EU and to maintain peace in the far North:

1. Perform and extend international exercises, in view of ensuring the credibility of the EU and of its member states in terms of military capacity;
2. Extend coast guard-like actions in order to stem illegal fishing;
3. Include an Arctic dimension into the European security strategy of 12 December 2003, as the Arctic may well be acknowledged as an area of interests;
4. Maintain surveillance capacities on the area, including for concentration of armed forces;
5. Use the European investments in space in order to establish a maritime cartography and the mark-up of certain areas where ships still bear important risks;
6. Classify the Arctic as a “world economic and ecological heritage”, which would allow a balanced exploitation and guarantee the respect of strict rules by the operators;
7. In line with the conclusions of 12 May 2014 urging the development of a more intensive and consistent policy for the Arctic no later than December 2015, actively participate with a view to defining a common position in the framework of COP 21;
8. Set a higher store, in terms of scientific publications, on the endeavours of the EU, particularly in the framework of the Horizon 2020 programme.