

## Norway's Arctic Policy - Summary

Arctic is a region of significant and increasing geopolitical importance. It is key to our ability to understand and manage climate change, and its natural resources offer major opportunities for business development and value creation. Norway has a key position in the Arctic. This is particularly true of those who live in the far north of our country. We have generations of experience of managing our abundant resources and have thus built up valuable knowledge that we can bring to regional and international cooperation. Respect for the Law of the Sea and international cooperation are crucial for promoting stability and predictability in the north. We have a tradition of responsible marine resource management at the national level and have also been at the forefront of efforts to put in place international regulations in this area.

North Norway is thriving, and the region offers great potential for value creation. There are local variations, but the overall picture is very positive. Over the past ten years, the negative population trend in North Norway has been reversed, and people are now moving to this part of the country. This is the result of the successful efforts of previous governments and investments made by the business sector. However, it is primarily thanks to the population of North Norway itself. Educational institutions, the number of doctorates awarded, industries, innovation and infrastructure – all these areas are currently in a state of growth. The Government will seek to further develop North Norway so that it becomes one of the country's foremost regions in terms of value creation and sustainability. We are taking steps to address the challenges in the region and thus enabling North Norway to meet the demands of the future. The High North is a region not only of local importance, but is also a region of national and global importance.

In the time ahead, the Government will give priority to the following five areas: international cooperation, the development of a knowledge-based business sector, knowledge development, infrastructure, and emergency preparedness and environmental protection.

### Our priority areas

#### International cooperation

Cross-border cooperation is vital for continued sustainable development in the north. Since 1993, the Barents cooperation between the Nordic countries, Russia and the EU has enabled the countries involved to work together in a number of areas. This cooperation ranges from people-to-people projects to joint business development activities. The Arctic Council includes the US and Canada, in addition to the Nordic countries and Russia, and is the only circumpolar forum for political discussions at government level. Since its establishment in 1996 as a forum for promoting environmental cooperation, the Arctic Council has expanded its scope to address a wider range of issues. It is, for example, currently exploring how the Arctic countries can best prevent oil pollution in Arctic waters. This, together with the great significance of the Arctic for the global climate, is one of the reasons why countries such as India, South Korea, Japan, China and Singapore have sought – and have been granted – observer status in the Arctic Council.

The Government will strengthen Norway's position as a responsible actor and partner in the north by focusing on knowledge development, business development and international cooperation. New opportunities to exploit natural resources, new trade routes and increasing human activities may have major consequences for the environment and society, and Norway has a great responsibility to ensure sustainable management of the environment and the region's natural resources. The Government will strengthen dialogue on the High North with a number of countries, and will promote business cooperation through the Arctic Economic Council. The Freedom of Movement Council, recently established under the auspices of the Nordic Council of Ministers, will work to promote cross-border freedom of movement in the region, and the aim is to remove five to ten border barriers each year. Norway will also seek to expand the local border traffic regime with Russia. Steps to increase capacity at the Storskog border station are under consideration. Together, the five coastal states bordering the Arctic Ocean negotiated a joint declaration in 2014 on the need to develop interim measures to combat unregulated fishing in the Arctic Ocean. The International Maritime Organization (IMO) is in the process of finalising a mandatory international code of safety for ships operating in polar waters (the Polar Code), which is expected to enter into force in 2017. This is in Norway's interest as a coastal state and a flag state. Norway's presence in the North contributes to security, stability and predictability and the Government will continue to ensure a high level of operational capability in the region.

#### A knowledge-based business sector

North Norway is a region rich in natural resources with a highly successful and flexible business sector. The tourism industry has become a year-round industry and is recording continuous growth, the fisheries industry is stable, and the mineral industry – still at the early stages of development – shows great potential. In 2007, the petroleum industry in the north was given a huge boost with the opening of the Snøhvit field. This had a major impact on Hammerfest, where 1 200 jobs are now linked to the petroleum industry, but also offers major opportunities for the whole region. In addition, a number of companies whose activities are based on knowledge and research are now emerging.

The Government will promote cooperation between research communities and the private and public sectors at national and international level. New exploration licences will be awarded in areas already opened for petroleum activities, and NOK 150 million is being allocated through Innovation Norway to business projects in the period 2014–19. The work of mapping mineral resources in North Norway will continue. The Government will also strengthen long-term industry-oriented research, for example

in the fields of marine biotechnology and bioprospecting. An integrated policy to promote value creation in the maritime sector will be developed, and a white paper on sustainability in the aquaculture industry will be presented in 2015. A new maritime strategy will set out the course for the shipping industry in the High North. The Government will also promote targeted marketing activities in the tourism industry through the major travel companies. Ensuring that there is a skilled labour force in North Norway is crucial for realising the region's potential for value creation.

### **Broad-based knowledge development**

Research and education in North Norway is an area under continuous development. In 2013, for example, 142 doctorates were awarded at the two universities in the region, double the number awarded in 2006. Nearly 2 500 foreign students chose to complete all or part of their education in North Norway in 2013. Cooperation between universities, university colleges and the business sector is well developed and has led to the establishment of a number of small and medium-sized knowledge-based companies, for example in the field of bioprospecting. Several research institutions are also working to ensure that new business activities keep within environmentally sound limits.

The Government's aim is for Norway to be leader in the field of knowledge in and about the High North. More emphasis will be placed on the commercialisation of research results. Rapid climate change and increased activity in the north mean that more knowledge is needed. The Government will therefore further develop the climate and environmental research being carried out under the auspices of the Fram Centre, and will continue to provide funding for the Research Initiative for Northern Norway and the Polar Research programme, under the Research Council of Norway. The Norwegian Polar Institute has also set up a research project that will enhance knowledge of the sea ice, climate change and meteorology. The project will involve allowing the research vessel *Lance* to freeze into the Arctic ice. The MAREANO programme is carrying out surveys of the seabed in the north, and the results provide a basis for the management of Norway's sea areas. The Government has included funding for further efforts to map the petroleum potential of the Barents Sea in its budget for 2015. It is also establishing a new grant scheme, *Arctic 2030*. Grants will be awarded for strategic projects that are considered to particularly important for efforts in the five priority areas.

### **More reliable infrastructure**

The region's 11 600 kilometres of road, 28 airports and 71 major ports are not enough to ensure that North Norway has an effective and reliable transport system. In 2014 Norway launched its second Automatic Identification System satellite (AISSat-2), which will give us a better overview of shipping activity in the Arctic. It will also provide a better overview of the sea areas during search and rescue operations and other incidents, and is a useful tool for uncovering illegal fishing activities. The number of commercial ships sailing through the Northeast Passage is likely to increase as a result of climate change. This, together with increased petroleum activities, will mean that communication – especially two-way communication services – and infrastructure will have to be improved across the entire region.

The Government will further develop the transport system in the north, to ensure that it is able to cope with goods flows, everyday transport and tourism in a reliable manner, and can provide good connections between the countries of the north and the global markets. Through the maritime surveillance and information system BarentsWatch, government agencies that have operational responsibility at sea will be able to share information securely and effectively. The Norwegian Space Centre is developing concepts for satellite communication north of 75°N. Norway has proposed the preparation of development strategies for cross-border communications, and there are plans to upgrade the stretch of the E6 trunk road that passes through the region, which will reduce travelling time by about 60 minutes. Avinor AS has been commissioned to draw up a planning application for a new airport near Mo i Rana and to consider the possibility of establishing new airports in Lofoten and near Hammerfest. The port infrastructure in Svalbard will be upgraded to increase its capacity.

### **Better preparedness and environmental protection**

The Joint Rescue Coordination Centre Northern Norway oversees some 80 % of Norway's search and rescue responsibilities in the Arctic. The vast distances and increasing traffic and activity in the region make it necessary to enhance preparedness and capacity. Due to rapid climate change and increased human activity, it is also vital to develop sound integrated management plans and thorough studies of environmental impacts. Close cooperation between the countries in the north is also important in order to address transnational environmental issues.

The Government seeks to promote sustainable economic activity in the north, by setting high environmental standards, improving preparedness, developing effective management plans, enhancing safety standards, and maintaining close cooperation with other countries. Oil and gas activities in the Arctic require a thorough knowledge of the risks involved. A number of projects have been initiated to enhance understanding of the risks and to develop technical solutions tailored to Arctic conditions. Norway plays a key role in emergency preparedness efforts in the north. In spring 2014, the Government strengthened preparedness in Svalbard with the leasing of two new rescue helicopters. Efforts to establish an oil spill preparedness and response base on the islands of Lofoten and Vesterålen, as signalled in the Government's policy platform, are also under way. The Arctic Council has set up a Task Force on Arctic Marine Oil Pollution Prevention, which is co-chaired by Russia and Norway. Norway is also involved in the work to develop international standards for petroleum operations in the Arctic.

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