CIGI

POLICY BRIEF
No. 55 • January 2015

THE ARCTIC COUNCIL LEADERSHIP MERRY-GO-ROUND

WORDS OF ADVICE AS THE UNITED STATES ASSUMES THE ARCTIC COUNCIL CHAIRMANSHIP

Jennifer Spence

Key Points

- Climate change is transforming the development potential of the Arctic and the region is attracting intense global attention.
- In April 2015, the United States will assume the chairmanship of the Arctic Council. It is not too late to influence the 2015–2017 program put forth by the government.
- The US government's focus on climate change must be complemented by efforts to further advance sustainable economic development, bolstering the important work initiated under Canada's chairmanship with strong support from key Arctic constituencies, including Alaska.
- The credibility and relevance of the Arctic Council is at stake — leadership is needed to establish a long-term vision, strengthen the council's governance model and work with all stakeholders to tackle the substantial policy challenges that the region faces.

Introduction

In April 2015, Canada will hand the chairmanship of the Arctic Council to the United States. As the chair, the United States will have an opportunity to shape the priorities of the Arctic Council for the next two years and communicate its vision for the future of the circumpolar region. In anticipation of acquiring this leadership role, the United States first provided a sense of its vision for the chairmanship on September 30, 2014 in Washington, DC, during the Passing the Arctic Council Torch conference supported by the Center for Strategic and International Studies and the Centre for International Governance Innovation.

Less than a month later, the senior Arctic official for the United States presented her country's proposed chairmanship agenda at the October 23, 2014 meeting of the council's senior Arctic officials in Yellowknife. She introduced the United States' chairmanship brand as "One Arctic: Shared opportunities, challenges and responsibilities" and identified three thematic areas of work: addressing the impacts of climate change in the Arctic; stewardship of the Arctic Ocean; and improving economic and living conditions (Government of the United States 2014).

The subsequent public reactions were mixed. Some observers congratulated the United States for putting climate change front and centre on the council's agenda — signalling its willingness to be a serious player in global climate change discussions, including the fast-approaching 2015 United Nations Framework Convention on Climate Change conference in Paris. They see it as a sign that the United States wants to escalate issues related to the impacts of climate change in the Arctic to global arenas. However, other commentators, including officials from Alaska, openly criticized the United States for abandoning important new priorities that were introduced during the Canadian chairmanship — in particular, Canada's heavy emphasis on priorities deemed to be "for the people of the North" and a direct acknowledgement of the need to establish a meaningful

place for economic development issues in the discussions of the Arctic Council (Government of Canada 2013).

It is, in fact, premature to jump to any conclusions about the program that the United States has in mind for the Arctic Council. Over the next few months, a variety of formal and informal discussions will take place that will define the final chairmanship agenda, and opportunities remain to influence the US chairmanship program. This brief puts forward specific issues and factors that will be useful to policy makers and policy influencers in the interest of informing discussions around the priorities of the Arctic Council for 2015–2017 and beyond.

How Does the Arctic Council Work?

As global interest in the Arctic has grown, the Arctic Council has gained a prominent place as *the* policy forum of the region. The quality of signature work produced by the council — including the *Arctic Climate Impact Assessment — Scientific Report* (Arctic Climate Impact Assessment 2005), the *Arctic Human Development Report* (Niels, Larsen and Nilsson 2004) and the *Arctic Biodiversity Assessment* (Conservation of Arctic Flora and Fauna 2013) — has established the council as a credible authority on a diverse range of environmental and social policy issues facing the region and as having significant global impacts.

Furthermore, the central role taken on by organizations representing the region's indigenous peoples, referred to as permanent participants,[1] provides the Arctic Council with advice and recommendations that bear a unique legitimacy among governmental and non-governmental organizations relative to other international institutions. However, despite the enhanced profile of the Arctic Council, a review of recent media reporting and public statements from officials emphasizes how poorly understood the council is.

The Arctic Council was created by its members[2] in 1996 as a soft-law, intergovernmental discussion forum with a mandate to focus on two main policy areas — the environment and sustainable development. With this overarching mandate as a guide, the chairmanship of the Arctic Council has been transferred to each of the eight members every two years. These basic facts are generally known by those that follow and comment on the council's work. However, in setting an effective agenda for the council, it is critical that members and other organizations involved with the council understand not only the bigger policy issues, but also specifically how work gets done in the council.

For example, the reports referenced above, which have been central to establishing the Arctic Council as a credible voice on Arctic policy issues, are projects or programs that are led by the council's working groups. These working groups have their own mandates, secretariats, project funding and, in most cases, their own membership. Although these working groups make every effort to ensure that their work plans respond to the priorities set for the council through a chairmanship agenda, their ultimate program of work is set by each group's membership and defined by the projects that group participants are willing and able to sponsor.

Environmental policy issues have been consistently conspicuous in each chairmanship program; the council's environmental policy priorities are actively supported by five working groups with defined responsibilities related to the overarching mission of the council. In contrast, the council's work related to sustainable development has remained less clearly defined and has been primarily supported by only one working group, the Sustainable Development Working Group (see Figure 1). This group has taken on a grab bag of human development projects, including health, social and cultural policy issues, while its contribution to economic development issues has remained limited, peripheral and localized.

What Are the Arctic Council's Priorities?

The country that holds the chair plays a leadership role in defining and delivering the priorities for the Arctic Council throughout its tenure — although it is important to note that, as a consensus-based decision-making body, all members and permanent participants are actively involved in discussing and endorsing (or at the very least not rejecting) the chairmanship priorities that are established.

The Canadian 2013–2015 chairmanship program sought to broaden the agenda of the Arctic Council by placing "responsible economic development" in the Arctic at the forefront of its priorities (Government of Canada 2013) — a shift in emphasis that has gained the attention of the business community, local and regional governments and indigenous organizations, as well as governments and organizations outside the region. All the interested parties agree that climate change has been the catalyst for pushing the region's economic development issues onto the global stage. In fact, many attribute the desire of countries such as China, India and South Korea to attain observer status in the council in part to their economic interests in the region's natural resources and alternative transportation options.

1 There are six organizations that hold permanent participant status: Arctic Athabaskan Council, Aleut International Association, Gwich'in Council International, Inuit Circumpolar Council, Russian Association of Indigenous Peoples of the North and Saami Council.

2 The Arctic Council has eight members: Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden and the United States.

Figure 1: Organizational Structure of the Arctic Council

Source: Arctic Monitoring and Assessment Programme (2015).

Canada's approach to integrating economic development into the council's work was to make the creation of an Arctic business forum the flagship deliverable of its chairmanship. A task force was established to consider the general parameters of this body and its work, but ultimately the vision was to establish a forum *for* businesses working in the Arctic where the mandate, priorities and work of this body would be managed *by* businesses.

Consistent with this vision, specific businesses, representing sectors such as shipping, oil and gas, and tourism, were named by the council's members and permanent participants to join the newly formed Arctic Economic Council; the representatives of these businesses have established priorities and are in the process of creating the governance infrastructure necessary to advance them. Many of these businesses have agreed to commit their time, effort and resources to the Arctic Economic Council on the understanding that this body is unique from other business forums in the region. They see it as an opportunity to be heard by and influence policy makers through the Arctic Council.

The October 2014 draft of the US chairmanship agenda signals the potential for two significant changes in direction from the Canadian priorities. First, there is a notable silence on the need or relevance of integrating economic development as a policy area that garners priority attention from the Arctic Council. Second, there is the distancing of the Arctic Council from its newly spawned business forum, with only a single reference to the Arctic Economic Council as one of several examples of "outside bodies" that the Arctic Council needs to consider how to relate to. As previously noted, these changes have attracted criticism from some — in particular from those who are supportive of the Canadian emphasis on economic development.

What Is the Future of the Arctic Council?

The Arctic and the Arctic Council are receiving unprecedented attention. In this context, the council is increasingly perceived as a body that can influence the policy issues and priorities of the region and as a potentially powerful platform where those both in and outside the region can have their issues heard. This level of interest has also raised expectations of what the council can achieve, which has significant implications for how it functions.

The dynamics of the agenda-setting and decision-making processes in the Arctic Council are changing. In recent years, the small, relatively informal Arctic Council "family" is being increasingly formalized. For completely practical reasons, terms of reference for each of the working groups are being renewed, an *Arctic Council Observer Manual for Subsidiary Bodies* has been released, and senior Arctic officials' meetings are now primarily focused on reporting out, with less time and space for real discussion. Government officials are becoming increasingly careful and constrained about what they say and how they say it. Official statements are polished and the need to share information (or not) is carefully weighed. There is more at stake.

Recommendations and Questions to Consider

Know the levers available (and not available) within the Arctic Council to achieve the desired policy objectives. The real work is being done in the working groups and the council's other sub-bodies (task forces, expert groups and networks). Ultimately, in order for policy makers to realize the priorities set in the 2015–2017 chairmanship agenda, senior Arctic officials will need to focus their attention on ensuring that specific priorities can be concretely translated into a program of work for its sub-bodies. This includes ensuring that these groups have the appropriate mandate, expertise and resources to effectively deliver. As the dynamics of the Arctic Council change, it would be well advised to consider what the relationship will be between this working level and the leadership of the council. Do these groups have what they need to do their work? Are they organized, individually and collectively, in a manner that most effectively responds to the complex policy issues in the region? Is everyone heading in the same direction?

What role will the Arctic Council play in the region's economic development? Not including it on the agenda of the Arctic Council does not lessen the importance of the issue or the need for a policy framework; it only limits the functions that the Arctic Council performs and opens the door for other institutions to fill this gap. Enter the Arctic Economic Council, right? Perhaps. Involving business is an important step; however, the design and implementation of an effective policy framework for sustainable and/or responsible economic development cannot be realized by a business forum irrespective of its relationship to the Arctic Council.

The information, analysis and advice provided by the Arctic Economic Council to the Arctic Council may prove invaluable, but it will not facilitate the multi-stakeholder, multi-faceted discussion that this complex area of policy requires. Nor should it be expected to. So how will the Arctic Council integrate the advice of this business forum into its policy work? What will the relationship be between the Arctic Economic Council and the existing working groups and other sub-bodies of the Arctic Council? Will the Sustainable Development Working Group be mandated and empowered to more meaningfully integrate economic issues into its agenda?

Open the Arctic Council "black box." The credibility of the Arctic Council primarily stems from the 18 years it has invested in producing high-quality information, analysis and advice that has informed domestic and international policy. However, as pressure increases on the council to move from a policy-shaping to a policy-making body, it is inevitable that its credibility will be more intimately linked to its ability to demonstrate accountability. The creation of a permanent secretariat for the Arctic Council and a project dedicated to archiving the council's documents initiated during the Canadian chairmanship are steps in the right direction; however, more must be done to shed light on an institution that is poorly understood and increasingly perceived as a black box. Proactive communication and transparency are critical. What decisions are being made and by whom? What work is being done and who is funding it? How are recommendations adopted and agreements reached by the Arctic Council? And last, but not least, are the council's recommendations and agreements being followed and/or implemented by members and others?

The Arctic Council should maintain a focus on region-wide priorities. The Canadian chairmanship program is closely tied to the country's domestic policy priorities and interests. With this in mind, no one should have been surprised to see the heavy emphasis it put on economic development in the region and its relative silence on the need to address the factors advancing climate change. The United States has demonstrated a similar interest in its domestic audience by putting climate change front and centre, and indicating that an overarching goal of its chairmanship will be to "raise Arctic and climate change awareness within the United States" (Government of the United States 2014).

Linking the goals and deliverables of the chairmanship to domestic needs and interests is an effective means to attract the attention of the government and ensure the necessary resources are secured, especially during the lean financial times that all governments are currently facing. However, the Arctic Council and the region that it seeks to support will not be well served by the erratic shifting of the council's priorities. The short-term priorities introduced by each chair must be balanced and tempered by a longer-term vision for the entire region that translates into a commitment by the council to longer-term priorities and a program of work that is circumpolar in scope.

Conclusion

As the United States works with members, permanent participants and others to finalize its chairmanship program, it is important to emphasize that the choices made now will have an impact on the future direction of the Arctic Council and the role that it is positioned to play. The United States' draft chairmanship agenda has signalled an interest in continuing efforts to "strengthen" the Arctic Council. There is little doubt that this will include a variety of tactical and procedural issues that are needed as the council evolves; however, if the Arctic Council is truly going to fulfill the leadership role that it has been assigned in the court of public opinion, serious effort must be placed in advancing a strategic discussion about a vision for the Arctic region and the role that the council can play to achieve it.

Works Cited

Arctic Climate Impact Assessment. 2005. *Arctic Climate Impact Assessment — Scientific Report.* Cambridge: Cambridge University Press. www.amap.no/documents/doc/arctic-arctic-climate-impact-assessment/796.

Arctic Monitoring and Assessment Programme. 2015. "Organisational Structure." www.amap.no/about/organisational-structure.

Conservation of Arctic Flora and Fauna. 2013. *Arctic Biodiversity Assessment.* Report by the Conservation of Arctic Flora and Fauna. www.arcticbiodiversity.is/the-report/chapters.

Government of Canada. 2013. "Canadian Chairmanship Program 2013–2015." May 15. www.arctic-council.org/index.php/en/resources/news-and-press/news-archive/735-canadian-chairmanship-program-2013-2015.

Government of the United States. 2014. "Arctic Council United States Chairmanship 2015–2017." From the Arctic Council's Senior Arctic Officials meeting, Yellowknife, October 23.

Niels, E., J. N. Larsen and A. Nilsson. 2004. *Arctic Human Development Report.* Akureyri, Iceland: Stefansson Arctic Institute. www.svs.is/en/10-all-languages-content/28-ahdr-chapters-english.

About the Author

Jennifer Spence is a Ph.D. candidate and research associate at Carleton University's School of Public Policy and Administration. She specializes in environmental governance in the circumpolar region and has 18 years of experience working for the Canadian federal public service in fisheries management, change management and procurement.

CIGI Publications
Advancing Policy Ideas and Debate

Arctic Governance

Available as free downloads at www.cigionline.org

Geophysical developments in the Arctic will challenge and disrupt traditional patterns of Arctic governance at the global, regional, bilateral, national, sub-national and local levels, a shockwave that carries profound implications for shipping routes, on- and offshore resource and economic development, international trade and investment patterns, territorial definitions and disputes, local communities, international security and national and international politics.

This CIGI project is premised on the idea that strengthened governance is the key to containing chaos and achieving order in the New Arctic. Keeping existing governance mechanisms and strategic interests in the region in mind, CIGI researchers work with national and international experts to explore the best possible outcomes of the "great melt" and what new bilateral and multilateral relationships, challenges and opportunities may evolve from newly accessible resources and territories.

Sustainable Northern Development: The Case for an Arctic Development Bank

CIGI Paper No. 54
David Sevigny and Alan Gill

Since the end of World War II, multilateral development banks (MDBs) have played a significant role in procuring funding for a wide range of social and infrastructure needs across the globe. This paper reviews the evolution of the MDB model, and how an Arctic Development Bank could advance environmentally sustainable development in the Arctic region.

A Youth Perspective on the Challenges Facing the North

CIGI Commentary
Jessica Nasrallah

Over 50 students from across Canada gathered in Iqaluit, Nunavut from October 30 to November 2, 2014 for the first ever Arctic Youth Ambassador Summit. This commentary provides a critical overview of the key topics that emerged from the summit.

Canada-US Arctic Marine Corridors and Resource Development
Policy Brief No. 24
John Higginbotham, Andrea Charron and James Manicom

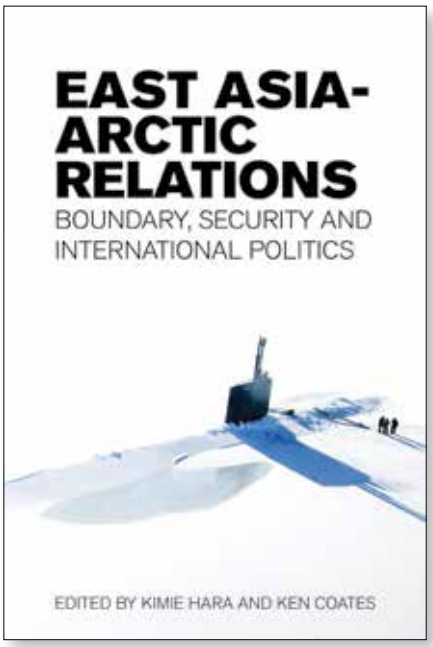
East Asian States, The Arctic Council and International Relations in the Arctic
Policy Brief No. 26
James Manicom and P. Whitney Lackenbauer

Nunavut and the New Arctic
Policy Brief No. 27
John Higginbotham

The Northwest Territories and Arctic Maritime Development in the Beaufort Area
Policy Brief No. 40
John Higginbotham and Marina Grosu

CIGI Press

Available for purchase directly from www.cigionline.org/bookstore



East Asia-Arctic Relations: Boundary, Security and International Politics
Edited by Kimie Hara and Ken Coates

Paperback: $28.00;
eBook: $14.00

The Arctic's profile as a region for opportunity and engagement is rising among both circumpolar and non-circumpolar states. Canada, Russia and the United States have expressed a renewed interest in the region, and East Asian countries such as Japan, South Korea and China are now increasingly fixated on prospects offered by the Arctic; however, Arctic and East Asian nations have not yet engaged in extensive discussions about competing and complementary activities and responsibilities in the Far North. This volume is an outcome of an international collaborative project that launched a focused and detailed conversation about the historic, contemporary and future dimensions of East Asian countries' relationships and interests in the Arctic. Bringing together leading experts from Japan, China, South Korea, Russia, the United States and Canada, it draws policy-making and scholarly attention to East Asia's growing interests in the Far North, and identifies political, economic, legal and security connections between the two regions.

About CIGI

The Centre for International Governance Innovation is an independent, non-partisan think tank on international governance. Led by experienced practitioners and distinguished academics, CIGI supports research, forms networks, advances policy debate and generates ideas for multilateral governance improvements. Conducting an active agenda of research, events and publications, CIGI's interdisciplinary work includes collaboration with policy, business and academic communities around the world.

CIGI's current research programs focus on three themes: the global economy; global security & politics; and international law.

CIGI was founded in 2001 by Jim Balsillie, then co-CEO of Research In Motion (BlackBerry), and collaborates with and gratefully acknowledges support from a number of strategic partners, in particular the Government of Canada and the Government of Ontario.

Le CIGI a été fondé en 2001 par Jim Balsillie, qui était alors co-chef de la direction de Research In Motion (BlackBerry). Il collabore avec de nombreux partenaires stratégiques et exprime sa reconnaissance du soutien reçu de ceux-ci, notamment de l'appui reçu du gouvernement du Canada et de celui du gouvernement de l'Ontario.

For more information, please visit www.cigionline.org.

CIGI Masthead

Managing Editor, Publications	Carol Bonnett
Publications Editor	Jennifer Goyder
Publications Editor	Vivian Moser
Publications Editor	Patricia Holmes
Publications Editor	Nicole Langlois
Graphic Designer	Melodie Wakefield
Graphic Designer	Sara Moore

Executive

President	Rohinton Medhora
Vice President of Programs	David Dewitt
Vice President of Public Affairs	Fred Kuntz
Vice President of Finance	Mark Menard

Communications

Communications Manager	Tammy Bender tbender@cigionline.org (1 519 885 2444 x 7356)

CIGI

67 Erb Street West
Waterloo, Ontario N2L 6C2, Canada
tel +1 519 885 2444 fax +1 519 885 5450
www.cigionline.org