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THE HIGH NORTH: NEW CHALLENGES FOR EUROPE

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Transcript:

The High North: New Challenges for Europe

Jonas Gahr Støre at Humboldt University, Berlin

Sehr geehrter Prof. Dr. Dr. Ingolf Pernice
Sehr geehrte Damen und Herren

To be invited to speak at the Humboldt University is a great honour, and it gives me a sense of being part of history to see my name at the front of the building.

The theme I am going to address has attracted a lot of attention lately, namely developments in the High North. And it is a great pleasure to present some perspectives on Europe's High North to this audience here at the centre of Europe.

My main message is that what happens in the High North matters to the centre of Europe as well. And that the developments we are now seeing in the north are the result of history, climate change, and the dependency of our economies on natural resources.

When I was a student in Paris, I was always somewhat frustrated by the way the TV weather map cut Europe off at the 60th parallel. It thus included Helsinki, Stockholm, Oslo and Bergen, which is not a bad catch, but Europe is more than this. The north of Europe is more.

When I spoke on this topic here in Berlin one and a half years ago, a professor said to me: "Foreign Minister, to *me* the High North is Schleswig-Holstein." And he was, of course, right. Where you stand depends on where you sit. And if you sit in the middle of Europe, Schleswig-Holstein is the north. Had it not been for important changes on our continent, this perspective might have been sufficient.

During the Cold War, during the years of the Soviet Union, the High North was a frozen region – both climatically and politically. And to those of us who studied the Cold War and who took part in Norwegian Navy exercises during the 1970s and 80s, the region was just about fish and submarines.

The High North, which includes the northern parts of Norway, Sweden and Finland, Northwestern Russia and the waters beyond, is of course not *the* centre of Europe, but it is *a* centre in Europe. The Arctic is going to attract a lot of attention in the years to come. For example, I am sure you have seen that Russia has planted a flag on the seabed at the North Pole. Planting this flag had no legal significance whatsoever in terms of rights to resources or sea areas. It was a demonstration, but it drew the attention of almost the whole world to what is happening in these Arctic waters.

My prediction is that in the next generation or so, the High North is going to emerge as a region of great interest to lawyers, political scientists and economists, and that issues such as climate change, research, indigenous peoples and transport will be at the centre of their attention.

As you all know, the ice around the North Pole is receding. It is melting. When the UN Intergovernmental Panel on Climate Change published its draft report a few years ago, it indicated that the North Pole would be ice-free in summer by 2080 or 2090. In the report published in February this year, the date had been brought forward to 2040. It may happen even earlier, but in any case, 2040 is not in the distant future. There are many of us here today who will still be around when there is no ice at the North Pole.

Of course, an ice-free North Pole is not the most interesting fact in itself. But as the ice melts, it will become possible to sail to Asia both northeastwards, along the Russian coast, and northwestwards, through the Canadian straits. The polar explorers dreamed of using the Northeast or Northwest Passage, and a hundred years later their dream may come true. This has a huge potential impact.

It is estimated that the Arctic region may contain 25% of the world's remaining reserves of oil and gas. But given that climate change is such a serious problem, why even mention oil and gas, which are – after all – part of that problem? It is a good question.

Today the world's consumption of hydrocarbons represents about 80% of all energy use. And in 2030 the percentage is expected to be the same, and in addition production is expected to increase by 60%. So here we are facing a challenge. We know that such a large increase in fossil fuel consumption is not going to be sustainable without major breakthroughs in technology. So how can Norway be in favour of ambitious climate goals and at the same time produce oil and gas? This is a real paradox. But it is not only Norway's paradox; it is also the world's paradox.

Unless we come up with new technologies - especially for developing countries seeking to rise out of poverty – we have a big problem.

The High North is also important for fish, and provides a considerable amount of Europe's food. Norway and Russia have been cooperating successfully on managing the North-East Arctic Cod stock – one of the most valuable fish resources in the world – for many, many years. And we must continue to ensure sound management of this important renewable resource.

To sum up, the High North is an important region for energy, fish, transport, and in relation to climate change. I think you can see why this area will be a centre of attraction in the coming decades, and in my talk today I would like to present the Norwegian view on these issues.

In terms of land area, Norway is the 75th largest country in the world. In terms of our population we are 125th. But if we add the waters under our jurisdiction, we shoot up to 15th place in terms of size. This is just to illustrate that the coastal state today is something very different from what it was a hundred years ago because it has large sea areas under its jurisdiction. This gives Norway a number of opportunities, but also a huge responsibility.

The principle of the 200-nautical-mile economic zone was established in the course of the Third UN Conference on the Law of the Sea, which started in 1973 and ended with the adoption of the Law of the Sea Convention in 1982. Jurisdiction over the continental shelf is older, as it had been established in the decades prior to that. When we established our economic zone, we had already agreed on delimitation of the continental shelf in the North Sea with Denmark and the United Kingdom. But we have not yet been able to reach agreement with Russia on the delimitation of shelf and zones in the Barents Sea, except for an area close to land through a newly concluded treaty. Our view is that the boundary between

Norway and Russia should take the median line as a point of departure, whereas Russia's view is that it should go further to the west. Not surprisingly. And that leaves us with an area of sea that we call the area of overlapping claims. This is a complex issue, and we have been negotiating with the Russians for 37 years. You may be wondering when will we reach agreement. And my answer to that is that every day we are moving one day closer.

In addition, there is the question of establishing the outer limits of a country's continental shelf. According to the Law of the Sea, a coastal state has sovereign rights over the seabed and the resources under the seabed of its continental shelf, but the continental shelf must be determined on the basis of scientific documentation. It is important to see the Russian flag-planting episode in this light. It was an indication of Russian presence. It had no legal implications. Norwegians planted a flag on the South Pole in 1911, but that did not mean that the South Pole is Norwegian territory.

The Russian flag-planting received a lot of attention, and angry voices were raised. Meanwhile, Russia had already submitted scientific data to the Commission on the Limits of the Continental Shelf in 2001 and is in the process of collecting additional data for this purpose. Referring to a map showing geological structures extending to the North Pole, the Russians are claiming that their continental shelf stretches this far. However, this map has been on the Internet since 2001 without causing any public upheaval. It was not until the Russians planted the flag that this became a "cause for concern". I think this says something about how the global media determine which issues are in focus.

To put the story into perspective, the geological structure that seems to form the basis for the Russian claim to the North Pole appears to stretch all the way to Greenland and Canada. So both the Danes and the Canadians are assessing whether the North Pole might be theirs. But two things are certain: First, that it is not Norwegian. And secondly, that claims that the area are in fact continental shelf can only be determined on the basis of scientific evidence considered by the Commission in accordance with the Convention.

We submitted on our part our scientific data with regard to these areas to the Commission last year, and we have indicated where the Norwegian continental shelf ends according to *our* data. So far, Norway and Russia are the only Arctic states that have presented their data to the Commission.

Canada and Denmark are about to start collecting data to make a submission to the Commission. The US has not yet acceded to the Law of the Sea, but the Administration has made a strong case before the US Senate to gain its consent to this end. One of the key reasons provided is the major contribution this convention makes to clarify the extent of US rights over the shelf.

This activity is creating the impression that there is a race towards the North Pole. I would like to make clear that there is no such race. The North Pole is not a land area. It is part of the sea, so the Law of the Sea applies, and this gives a clear basis on which to determine all such rights.

In this connection, I invited my colleagues from Russia, the US, Canada and Denmark to send their top legal experts to Oslo for a two-day conference to examine the legal issues involved. I wanted us to agree on the status, as then we may be able to agree on whether there are in fact any problems. There was a clear consensus on these issues. And as importantly, at least the Arctic states are now discussing this issue in a constructive way.

The 196-kilometre land border between Norway and Russia is a very peaceful one. Norway has never been at war with Russia. Indeed it is the only one of Russia's neighbouring states that has not been at war with Russia at any time. And I would also like to remind you of a fact of great importance to the Norwegian people – that it was the Red Army that liberated the north of Norway in 1944, after which it withdrew. Historians have debated why this happened, but it did happen.

Since 1990, things have been changing. In 1990, approximately 3000 people crossed the border in both directions. Last year, there were more than 100 000 crossings. Moreover, we have created – together with Russia, Finland, Sweden and the European Union – an innovative regional pattern of cooperation in the north called the Barents Cooperation. This demonstrates in an interesting way that we can work with Russia from new perspectives. Moreover the European Union has established the Northern Dimension – a semi-institutionalised cooperation, of which Norway, Iceland and Russia are full participants. So you see, the EU is present in the High North too.

The Snøhvit, or Snow White, gas field is situated 140 kilometres north of Hammerfest. It was discovered in 1980, but it was not until 2000 that new technology was developed that allowed it to be explored. It has been developed without a platform. All the installations are on the seabed and the gas is taken onshore by pipeline. The CO₂ is separated and returned to the seabed. The natural gas is then transformed into liquefied natural gas (LNG) for transport by tanker to the US and Europe.

Then there is the Shtokman field on the Russian shelf. It is probably the world's largest offshore gas field, and could provide Germany with all the gas it needs for 60 years. But it is situated 500 kilometres north of Murmansk, and will probably not enter into production until the middle of the next decade. Meanwhile exploration continues for other geological structures in this area, where there is already intense activity. Some 300 oil tankers a year sail from the oil fields in the Pechora Sea to world markets. These are harsh waters that are dark and icy during the winter, and weather conditions can be severe throughout the year. This is, therefore, an area with huge opportunities and huge challenges.

In 1980, I was doing my military service at the Norwegian Naval Academy. The regional commander explained very clearly, and I remember it well, that Norway was facing one major military threat – the Soviet Union. The answer for Norway was a strong Norwegian defence and NATO membership.

In September this year, I was at the same regional command with my Swedish and Finnish colleagues, and I asked the commander to give us a briefing on the High North today. The first difference was that the press were invited to attend. Secondly, the commander put up a map, on which he placed a number of circles that represented different issues. These included management of fisheries, management of energy resources (exploration and production), transport, migration of people, international crime, climate change, environmental problems, military activity and a few others.

Then he made the point that none of these challenges is owned by the military alone. There has to be cooperation between the military and civil society. Moreover, none of these challenges is owned by Norway alone. By definition Russia is part of the picture. Sweden and Denmark, our neighbours, are also to a large extent part of this picture, as is most of Europe. So we have moved from a situation where we were facing a single major military threat to a

situation where we have to manage many different risks. And risk management is quite different from threat management.

Now you may ask – aren't the Russians making their presence felt with their aircrafts, their ships, their submarines? And my answer is – yes, they are doing so, more than before. They are resuming previous patterns of behaviour, but there is nothing very dramatic about this because these are largely patterns we know. Their actions are not directed against Norway, but I think they are in the same league as the flag planting. They are showing that Russia is back, and that Russia is a big regional power. This is not only happening in the northeast. It is also happening in the northwest and in the south.

The big question is – does all this mean that we are facing a new cold war with Russia? My answer is a clear "no". It makes no sense to compare the confrontational environment of the Cold War with the situation we are facing in this first decade of the 21st century.

The management of fish, energy resources and transport – all of which Russia desperately needs for its development – depends on cooperation and stability. So I believe that we should look at the High North as an area of great potential rather than instinctively revert to the Cold War paradigm.

Norway is not a member of the European Union, but we are nevertheless closely associated with it. We are, for all practical purposes, part of the internal market. In 2012, we will be providing as much gas to the EU as Russia. And nobody is writing articles in the European press about uncertainty in connection with Norway as a gas supplier. This is because there *is* no uncertainty about Norway as a gas supplier. We deliver on our contracts.

In order to maintain stability in this region, Norway will also continue to cooperate closely across the Atlantic. The NATO dimension is still important for our security. A small country next to a big one needs allies and friends.

However, as I mentioned earlier, there are no military answers to the challenges I have presented. There is no military answer to fisheries management, energy production, civilian transport, climate change, or other environmental issues. The solutions are civilian: sophisticated technology, people-to-people contacts, close cooperation between countries. And that is where our key partners in the EU enter the picture, especially of course our Nordic neighbours Sweden and Finland. Norway, Sweden and Finland are now developing a deeper trilateral cooperation on foreign and security policy, defence and a number of other areas.

For Norway, Germany is an absolutely essential partner. Germany has been part of Norway's energy history from when we started production in the North Sea, and also when we continued off mid-Norway and all the way up to the Barents Sea. I would like to point out that the gas plant in Hammerfest, which will deliver gas to both Europe and the US, has been developed with the help of German engineers.

So we are partners in the High North, and I hope my presentation has given you a better picture of this very important region.

Thank you for your attention.