Developing Joint Approaches and Best Practices in the Arctic – The Role of the EU in Addressing “Common” Arctic Challenges

Prof. Dr. Henning Jessen, LL.M. (Tulane)
The Role of the EU in Addressing Common Arctic Challenges
Outermost EU marine waters do not include the Arctic...
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Members:

- **Canada** (current Chair)
- **Denmark** (including Greenland and the Faroe Islands)
- **Finland**
- **Iceland**
- **Norway**
- **Russia**
- **Sweden**
- **United States** (next Chair)

32 Permanent Observers:

- **12 non-Arctic States**
- **9 Intergovernmental and Inter-Parliamentary Organizations** (...NOT including the EU...)
- **11 Non-governmental organizations (NGOs)**
Increased attention to Arctic issues
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coordinating Arctic Search and Rescue (SAR) sectors since 2011...

...based on IMO SAR Convention...
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1 August 2007...
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Is there really a „Race to the Arctic?“
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Projection of Retreating Ice
Arctic offers new gold rush for shipping

Ernst Frankel outlines potential in Onassis lecture

The Arctic offers a unique opportunity for major trading nations. Substantial savings will also result from the elimination of Panama and Suez Canal dues.

Arctic oil and gas production is growing rapidly, with ExxonMobil and Rosneft committed to a $50bn development programme over 25 years, and shipping is often the only means of getting energy products to the market.

Meanwhile, 146 oil and gas fields have been discovered in the region.

Although Arctic routes require specialist ice-class vessels, savings can be made in fuel and transit time.
China aims to increase its presence in Arctic shipping

Beijing bids to secure access commercially while political drive remains low-key
Vietnamese advance in Arctic waters

The drilling rig "Saturn" this year drilled an exploration well at the Dolginskoye field in the Pechora Sea. (Photo: gazprom-neft.ru)

The state-owned company PetroVietnam strikes a deal with Gazprom-Neft on the development of the Dolginskoye field in the Pechora Sea.
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Estimated High Potential...

An estimated 22% of the remaining yet to find oil and gas resources is expected to be found in the Arctic.
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Estimated High Potential...

Breakdown of Arctic resources by country (bnboe) = Billion barrels of oil equivalent

- West Siberia, 132.6
- Other Russia, 107.8
- Alaska, 72.7
- Greenland, 48.5
- Other, 50.6

Source: OIES PAPER: WPM 54, based on USGS data
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Estimated High Potential...

Extreme
Solutions are hard to visualize and require long term investment combined with new approaches.

Stretch
Solutions require major innovation, but could be achievable with focused investment on the medium to long term.

Workable
Solutions can be based on known technologies, and any remaining technology needs are within reach in the short to medium term.
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Some agreed Boundaries but...

Norway – Russia Maritime Boundary Agreement Signed September 13, 2010

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Some agreed Boundaries but...

Canada – Denmark
Tentative Maritime Boundary Agreement for the Lincoln Sea in 2012

(some details of the “Hans Island” problem remain...)
Denmark makes 'provocative' Arctic claim

Published: 15 Dec 2014 09:23 GMT+01:00

Denmark is making an historic push to lay claim to the North Pole and the Arctic seabed, the Foreign Ministry has announced, but how will that go over with the Russians and Canadians?
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1 August 2007...
Although both Canada and Russia have also made claims to the area over the years, Lidegaard said that Denmark has had "very good cooperation" with its "Arctic neighbours".

"This is not an aggressive action. It is an attempt to honestly and accurately present geological data," he told Politiken.

Denmark's new claim was criticised by Canadian professor Michael Byers, one of the world's leading experts on Arctic sovereignty.

"It is ironic that the only country that right now could be said to be acting provocatively in the Arctic is Denmark. That is out of character with the country's tradition of constructive diplomacy," Byers told Politiken.
on 12 March 2014, the CLCS published its recommendations endorsing the entire area claimed by DK (together with the Faroes).

- **NFM**: 88.000 km²
- **SFM**: 608.000 km²
- **SGM**: 115.000 km²
- **NEGM**: 62.000 km²
- **NGM**: 895.000 km²
In accordance with the above understandings, the Kingdom of Denmark requests that the Commission consider the data and other material in this Partial Submission related to the Northern Continental Shelf of Greenland and make recommendations on this Partial Submission, without prejudice to any further submission of data and other material by Denmark/Greenland, Canada, the Kingdom of Norway, the Russian Federation, and the United States of America, or to the delimitation of the continental shelf between Denmark/Greenland and Canada, the Kingdom of Norway, the Russian Federation, and the United States of America. This request has been agreed to by all States.

The final delimitations will, as appropriate, be determined through bilateral agreements.
Most of Greenland’s Arctic resources are located in a rather extreme environment...
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“Race to the Arctic?”

Rather a marathon...
Example of the Norwegian EEZ and CS: more than 100 wells already drilled north of the Arctic Circle
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Shell Sues the Sierra Club, and a Dozen Others Who Oppose Their Arctic Drilling Ambitions
White House Proposes First-Ever Rules For Oil Drilling In The Arctic

From thinkprogress.org - February 23, 7:23 AM

“Environmentalists are queasy about the prospect of drilling in one of the most environmentally sensitive and isolated areas of the world.”
20 February 2015:


jointly released proposed regulations on the safety of future exploratory drilling activities in the US Arctic (now 60 days for comments...)

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Agreed Boundaries but also conflict...

U.S. – Canada Dispute: Beaufort Sea

Disputed area within EEZ is more than 7,000 square nautical miles

Likely rich in hydrocarbons

Canadian EEZ Claim (141st Meridian)

U.S. EEZ Claim (Equidistance)

Beaufort Sea

United States

Alaska

Canada
U.S. Proposes Arctic Drilling Regulations
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20 February 2015


proposed rules will hold operators accountable over the full spectrum of operations from mobilization to drilling and emergency response
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What does this all have to do with the EU…?

Generally:

→ Northern Dimension Policy
→ Barents Euro-Arctic Council + Barents Regional Council
→ Evolving EU Arctic Policy since 2008…
2014 EP Question to the European Commission:

“[…] Canada and the Russian Federation have also clearly expressed their interest in the region and their intention to extend their own sphere of influence in that direction, whilst China is taking steps to obtain the status of ‘country close to the Arctic’.

With regard to this ‘race for the Arctic’, can the Commission answer the following questions:

• Does the EU have specific interests in the Arctic region?

• Are there any research outposts of the EU or EU MS in the Arctic region?”
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“The main problems relating to Arctic governance include

- fragmentation of the legal framework,
- the lack of effective instruments,
- the absence of an overall policy-setting process and
- gaps in participation, implementation and geographic scope.”
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Emerging EU Policy in the Arctic Region – JOIN(2012)19 final, Brussels, 26 June 2012

2012 EU Policy Objectives (28 “action points”…)

1. Contributing to environmental protection, particularly in the context of climate change…

2. Promoting sustainable use of natural resources (i.e. “best practices”…)

3. Contributing to multilateral governance…
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Emerging EU Policy in the Arctic Region – 2014 Arctic Council Conclusions

“The Arctic is a region of growing strategic importance and the Council agrees that the EU should now further enhance its contribution to Arctic cooperation.

Rapid climate change, a major concern and cause of fundamental changes in the Arctic, combined with increased prospects for economic development in the Arctic region call for the EU to engage actively with Arctic partners to assist in addressing the challenge of sustainable development in a prudent and responsible manner.”
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One Common Challenge (of many…):
Exploration and exploitation of natural resources

Any Role for the EU?

• Primarily a matter for the coastal States within the region

“[…] The majority of today’s known resources are within the boundaries of the 200-mile zones and/or continental shelves of the Arctic coastal states and are uncontested.”

(Answer given by High Representative/Vice-President Ashton on behalf of the Commission (24 June 2014) on the question for written answer E-002847/14 to the Commission)

• EU cooperation with Arctic States (sustainable exploitation)
One Common Challenge (of many...): Exploration and exploitation of natural resources

Any Role for the EU?

EU Directive 2013/30/EU on safety of offshore oil and gas operations

Article 33
(“coordinated approach towards the safety of offshore oil and gas operations at the international level”)

specifically authorizing the European Commission
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One Common Challenge (of many…):
Exploration and exploitation of natural resources

Any Role for the EU?

Article 33 of EU Directive 2013/30/EU authorizing the European Commission

(1) to promote cooperation with third countries

(2) to facilitate the exchange of information between Member States with offshore oil and gas operations and adjacent third countries

(3) to promote high safety standards for offshore oil and gas operations at international level in relevant global and regional fora, including those relating to Arctic waters.
International standardization...

ISO/TC 67/SC 8 - Arctic operations
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International standardization...

ARCTIC OFFSHORE OIL AND GAS GUIDELINES

2009
International standardization is necessary...

Explosion Kills At Least 3 at Petrobras Oil Platform

11 February 2015

2010: „Deepwater Horizon“

By MarEx 2015-02-11 13:45:28

At least three oil workers were killed and 10 were injured in an explosion on Wednesday at an offshore oil and natural gas platform in Brazil operated by state-run energy company Petroleo Brasileiro SA.
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International standardization is necessary...
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2nd Annual Well Integrity and Lifecycle Management Conference

Jun 16, 2015 - Jun 17, 2015, Houston, Texas
Define an integrated and data-driven approach for well integrity governance, enhanced production and continued compliance

Oil firms invest millions in new ways of looking deeper into the earth

Mar 6, 2015
A global industry consortium gives scientists at Imperial College London $4 million more to locate oil with much better precision.
Conclusion:

• more active participation by non-Arctic States, however, in „soft“ areas...

• (hopefully) more policy coordination/cooperation between Arctic and non-Arctic States...