

Opportunities for Canadian leadership at the Arctic Council, 2013-15

A WWF Discussion Paper

Context

WWF is a long-time permanent observer to the Arctic Council, and a strong supporter of the organization and its objectives. With offices in every member state except Iceland, WWF is well positioned to contribute to the work of the Arctic Council. We do this primarily through participating in and contributing to the various working groups established under its auspices. As well, we publish *The Circle*, a quarterly forum for diverse perspectives on issues of timely relevance to the Arctic Council.

As each country has taken its position as chair, WWF has offered its expertise and perspective to the incoming chair. We continue that process here by outlining opportunities for Canada to demonstrate leadership at the Arctic Council during its term as chair. In so doing, we are guided by the Government of Canada's discussion paper: 'Themes for Canada's Arctic Council Chairmanship'. Accordingly, we have identified initiatives that elaborate on the government's chosen theme, and related sub-themes, of 'Development for the People of the North'.

Arctic Resource Development

1. **Offshore oil and gas development.** The topic of offshore Arctic oil and gas development will continue to attract attention, interest and investment. A key challenge for the Arctic Council will be how to support effective management of the risks of any such development, in a region where a mishap in one state can quickly spread to other coastal states (for instance, drilling in the Greenland sector of Baffin Bay is of concern to people in Nunavut), and is therefore a shared concern. In that regard, two areas where the Arctic Council could contribute are:
 - a) Implementing the Cooperation Agreement on Marine Oil Pollution Preparedness and Response.
 - b) Developing consistent and standardized approaches to oil spill prevention, thereby ensuring broad application of best practices.

These initiatives are supportive of Canada's Northern Strategy and its call for the sustainable development of strategic offshore resources.

2. **Beaufort Sea Pilot Project.** The Ecosystem-based Management (EBM) Expert Working Group has submitted recommendations to the Senior Arctic Officials, including to "encourage initiatives between two or more Arctic states to advance implementation of EBM in the Arctic and demonstrate how knowledge is collected, shared, processed and used to contribute to EBM in the Arctic." Canada and the United States are well positioned to launch a pilot project aimed at operationalizing EBM objectives in the shared ecosystem of the Beaufort Sea. Such a project could focus on transboundary collaboration to use the best knowledge for decision-making, support consistent and effective marine spatial planning across the region and demonstrate responsible Arctic stewardship in practice. Ultimately, the outcomes of such a project will help to provide enhanced security and predictability for future investments in development in the region. The current maritime boundary dispute in the region simply emphasizes the need for both countries to demonstrate that the dispute is well managed (as noted in Canada's Arctic Foreign Policy Statement), and collaboration on a pilot project would be an excellent way to do that. In Canada, the Beaufort Sea Partnership is well positioned to support such an initiative, and the long history of collaboration between Inuvialuit and Inupiat interests bodes well for a positive outcome.

Furthermore, with the United States following Canada as chair of the Arctic Council this is also an opportunity to initiate a pilot project with a longer time frame more likely to produce solid results.

- 3. Financial instruments for sustainable Arctic development.** The transition to sustainable development to benefit Northern peoples will require large amounts of capital to finance economic diversification and enhance infrastructure, both preconditions for thriving communities and environmental stewardship. As experienced in other developing regions of the world, market-driven project finance alone is unlikely to meet this need. Some additional mechanisms are in place to varying degrees across the Arctic (e.g. royalty regimes, Impact Benefit Agreements), but there are others that don't yet exist and that could be considered (e.g. an Arctic 'Green' Development Bank). While developing and implementing such mechanisms may be outside the current scope of the Arctic Council it is nevertheless an ideal forum to convene a discussion and seed interest.

Responsible and Safe Arctic Shipping

- 4. Broad implementation of best practices in Arctic Shipping.** This is clearly a topic of rapidly growing interest for Arctic coastal states, although effective implementation will require many other actors. Nonetheless, areas where the Arctic Council can chart a path forward include:
 - a) Support and encourage the development and timely approval by the International Maritime Organization (IMO) of a mandatory Polar Code for Arctic Shipping, as well as appropriate measures in the International Convention for the Prevention of Pollution from Ships (MARPOL) and the International Convention for the Safety of Life at Sea (SOLAS). Action on these fronts is urgently needed to provide enhanced oversight over all Arctic marine traffic, including (indeed, especially) from non-Arctic states.
 - b) Without in any way discounting the importance of international mandatory requirements, there is also an opportunity for the Arctic Council to: demonstrate leadership in identifying and encouraging the broader implementation of best practices through voluntary measures; emphasize the need for increased baseline knowledge and science; and provide impetus for ongoing monitoring and reporting.

WWF looks forward to contributing to these discussions. Indeed, just a few days ago WWF-Canada published an independent "Benchmarking of Best Practices for Arctic Shipping," which is available at www.wwf.ca/arcticshipping.

Sustainable Circumpolar Communities

- 5. Supporting actions to limit black carbon emissions.** The Arctic Council task force on short-lived climate forcers is to deliver its second report to the Ministerial next year, supplementing the first report to the Nuuk Ministerial. These two reports (along with other information on the role and sources of black carbon in the Arctic) should be sufficient to inform actions by the Arctic Council to limit further emissions of black carbon. This would be of dual utility in many communities in the Canadian Arctic, where the actions may serve to slow impacts of climate change, while ameliorating local concerns about the health effects of such black carbon sources as diesel generators. It is evident that Arctic Council countries are ready to take action – almost all other Arctic Council states have joined Canada in the "Climate and Clean Air Coalition" formed earlier this year.

6. Understanding and implementing strategies for linked ecosystem and community resilience in a rapidly changing climate. The Arctic is changing rapidly – climatically, economically and demographically – and new tools to build adaptive capacity need to be developed and applied. Particular areas where the Arctic Council could continue and expand on its current work in this area include:

- a) Developing tools for assessing the value to communities of the full range of ecosystem services and for incorporating them in regional adaptation and sustainability strategies.
- b) Understanding and encouraging broader implementation of best approaches to high-level planning at the front end of the development process, including land use and marine spatial planning, cumulative impact assessment and Strategic as well as Regional Environmental Assessments.
- c) Developing the knowledge base for strategies to foster the resilience of Arctic social and ecological systems to climate change. The Arctic Resilience Report is expected to form part of this knowledge base. A further step could be for the Arctic Council to support pilot projects to enhance the resilience of Arctic systems, helping to enhance food security for Arctic peoples.

General measures to support a stronger and more effective Arctic Council

A number of measures could be initiated during Canada's term as Chair to support the growing role and significance of the Arctic Council. They include:

- a) Enhanced support for Permanent Participants to participate effectively in Arctic Council meetings, working groups, etc. (identified as a priority in Canada's Arctic Foreign Policy). Aside from much-needed capacity building, a particular objective for Canada could be to support the inclusion of Traditional Knowledge and indigenous perspectives into working group deliberations.
- b) Support for Indigenous Youth participation (also a priority in Canada's Arctic Foreign Policy, and with particular relevance to the theme of 'Development for the People of the North').
- c) More strategic long-term planning, including both the possibility of sharing priorities with the United States over the four year period of the 'North American chair' but also extending forward to encompass the entire second sixteen year cycle of chairs.

WWF welcomes comments on these ideas and looks forward to discussing them with Arctic officials as well as other participants in Arctic Council fora.