



The Northern Dimension of Canada's Foreign Policy



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Cover:

Painting by Edward 'Ted' Harrison, C.M., "Northern World - Le monde du Nord"

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Executive Summary

In an increasingly interdependent and globalized world community, Canada's long-standing foreign policy tradition of promoting international co-operation in pursuit of shared objectives, through institution building and pragmatic problem solving, continues to take on greater importance. This established and successful approach has taken on, as a new guiding theme, the protection and enhancement of human security.

Both the tradition of transnational co-operation and the new emphasis on human security are particularly applicable to the shaping of the Northern Dimension of Canada's Foreign Policy. The circumpolar world that includes the northern territories and peoples of Canada, Russia, the United States, the Nordic countries plus the vast (and mostly ice-covered) waters in between was long a front line in the Cold War. Now it has become a front line in a different way — facing the challenges and opportunities brought on by new trends and developments. The challenges mostly take the shape of transboundary environmental threats — persistent organic pollutants, climate change, nuclear waste — that are having dangerously increasing impacts on the health and vitality of human beings, northern lands, waters and animal life. The opportunities are driven by increasingly confident northern societies who, drawing on their traditional values, stand poised to take up the challenges presented by globalization. Whereas the politics of the Cold War dictated that the Arctic region be treated as part of a broader strategy of exclusion and confrontation, now the politics of globalization and power diffusion highlight the importance of the circumpolar world as an area for inclusion and co-operation.

A clearly defined Northern Dimension of Canada's Foreign Policy will establish a framework to promote the extension of Canadian interests and values, and will renew the government's commitment to co-operation with our own northern peoples and with our circumpolar neighbours to address shared issues and responsibilities.

No country, except possibly Russia, has more at stake in the far-sighted management of circumpolar relations than Canada. A sense of northernness has long been central to the Canadian identity, but the North has historically played a relatively small and episodic part in Canadian foreign policy. A clearly defined Northern Dimension of Canada's Foreign Policy will establish a framework to promote the extension of Canadian interests and values, and will renew the government's commitment to co-operation with our own northern peoples and with our circumpolar neighbours to address shared issues and responsibilities. It will demonstrate that our future security and prosperity are closely linked with our ability to manage complex northern issues. A proactive approach in strengthening Arctic circumpolar relations, drawing on Canada's experiences, traditions and capabilities, in both the domestic and international context, will help to shape the nature and thrust of circumpolar affairs, and Canada's central place therein.

The Northern Dimension of Canada's Foreign Policy is framed by three principles — meeting our commitments and taking a leadership role; establishing partnerships within and beyond government; and engaging in ongoing dialogue with Canadians, especially northerners. In keeping with this framework, the Northern Dimension of Canada's Foreign Policy will have four overarching objectives:

1. to enhance the security and prosperity of Canadians, especially northerners and Aboriginal peoples;
2. to assert and ensure the preservation of Canada's sovereignty in the North;
3. to establish the Circumpolar region as a vibrant geopolitical entity integrated into a rules-based international system; and
4. to promote the human security of northerners and the sustainable development of the Arctic.

These objectives will be pursued through a focus on four priority areas for action over the next several years:

- Strengthening and promoting a central place in circumpolar relations and policy co-ordination for the Arctic Council, which is the only forum in which the eight Arctic states and Indigenous northern peoples as Permanent Participants come together to discuss and decide on matters of common interest. The Arctic Council is uniquely placed to address the environmental challenges faced in the circumpolar region, and has the potential to enhance opportunities for capacity building, trade and economic development, as well as educational opportunities and employment mobility for Canadian youth and children in the circumpolar North.

Objectives:

1. *to enhance the security and prosperity of Canadians, especially northerners and Aboriginal peoples;*
2. *to assert and ensure the preservation of Canada's sovereignty in the North;*
3. *to establish the Circumpolar region as a vibrant geopolitical entity integrated into a rules-based international system; and*
4. *to promote the human security of northerners and the sustainable development of the Arctic.*

- Helping to establish a University of the Arctic designed to foster academic excellence and sustainability including traditional knowledge, using distance-education techniques; and supporting the enhancement of a Canadian and circumpolar policy research network, taking into account the importance of traditional knowledge, that can strengthen policy-relevant capacity to provide assistance to the work of the Arctic Council.
- Developing and expanding opportunities to assist Russia in addressing its northern challenges through strengthened bilateral activities, and by working with our circumpolar partners in various regional forums and in the European Union.
- Promoting the study and practical application of means for circumpolar countries and communities to develop sustainable economic opportunities and trade across the Arctic circumpolar region.

A Canadian strategy for a northern foreign policy was developed through a unique and extensive process of consultation with Canadians, including Aboriginal peoples, other northerners, parliamentarians, policy experts and many others. This was a deliberate process of public engagement, and one that the government intends to continue as the Northern Dimension of Canada's Foreign Policy is implemented and further developed. To this end, the government, led by the Ambassador for Circumpolar Affairs, will maintain a permanent outreach program domestically and internationally, in an effort to seek views and feedback on Canada's foreign policy priorities for the circumpolar Arctic region as they evolve. Flexibility to respond to new ideas, trends and initiatives, as well as to refocus existing priorities, will be built in to the Northern Dimension of Canada's Foreign Policy to ensure that an ongoing consultative process is fully interactive and dynamic.

The Northern Dimension of Canada's Foreign Policy

Introduction – Renewing Our Commitment

At home and abroad, the North has taken on new importance in Canadian foreign policy.

Canada needs to bring a comprehensive northern dimension to its foreign policy. To be effective, the new policy must be an integral part of Canada's broader foreign policy, and must also be reinforced by domestic policies.

For the North, this is a time of rapid change. Canada's own northern territories, for example, are emerging from an historical tradition of being on the periphery of Canadian political life as a result of political reform, reconciliation and decentralization, and are developing new governance structures. Similarly, a circumpolar community with a wide range of (often divergent) interests is also coming into being as a coherent entity. The end of the Cold War lifted the constraints which that period imposed on co-operation among the eight Arctic countries and on interaction among the North's Indigenous peoples. Circumpolar relations, contacts and activities have now begun to flourish. This has also occurred as a consequence of growing global awareness of the vital ecological role played by the North, and as northerners from across the circumpolar region have begun to press for action to address the serious environmental, economic, social and cultural threats facing their communities.

Globalization exposes all regions to new political, economic, social and environmental forces, which often diminish regional control over events — even in the most industrialized countries. These forces include the revolution in information technology (for instance, the emergence of electronic commerce), the transboundary movement of persistent organic pollutants, climate change, and the spread of infectious diseases, such as tuberculosis or AIDS. The transboundary nature of these forces makes international co-operation imperative.

The North comprises the Canadian territories of the Yukon, the Northwest Territories and Nunavut, plus Nunavik (northern Quebec) and all of Labrador; the U.S. state of Alaska (except the area known as the Southeast); all of Kalaallit Nunaat (Greenland); Iceland; the northern regions of Norway, Sweden and Finland; all of what Russia terms the Arctic and the Russian North; and the marine systems of the Arctic Ocean and its adjacent seas, including the Beaufort, Labrador, Bering, Chukchi, Greenland, Norwegian, Barents, Kara, Laptev and East Siberian seas. It also includes what the Royal Commission on Aboriginal Peoples identified as "Mid-North"—that is, large areas of the Canadian provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec that reflect northern conditions.

Globalization has also altered the exercise of state sovereignty, partly through the development of a web of legally binding multilateral agreements, informal arrangements and institutions. In the past, much of Canada's attention to northern foreign relations has focussed on threats to sovereignty. Time has changed the nature and implication of those threats — co-operation has largely overshadowed boundary disputes in the North. Public concern about sovereignty issues has waned, but Canadians still want their governments to enforce their laws and regulations concerning the management of the North.

To meet new transborder challenges and further promote co-operation, we will need to intensify dialogue with existing organizations that undertake common action, such as the United Nations (UN), the North Atlantic Treaty Organization (NATO) and the Organization for Security and Cooperation in Europe (OSCE). We must also ensure that the Arctic Council effectively complements other initiatives under way within the circumpolar region (in particular, the Nordic Council, the Barents Euro-Arctic Council, the Council of Baltic Sea States), and with the EU's own Northern Dimension Action Plan. Further, we must develop new approaches to deal with issues such as human security and the threats to individual safety and well-being posed by an increasing number of transnational problems. In this regard, the peoples of the circumpolar region are particularly vulnerable.

In this situation, Canada needs to bring a comprehensive northern dimension to its foreign policy. To be effective, the new policy must be an integral part of Canada's broader foreign policy, and must also be reinforced by domestic policies. A comprehensive approach will lead to greater coherence and co-ordination between federal departments and agencies having a stake in the development of the circumpolar region.

The Domestic Context – the North Coming into its Own

At the dawn of the new century, a fundamental reshaping of northern Canada is taking place. Most significant has been the division of the Northwest Territories into two separate territories in 1999 with the creation of Nunavut. The birth of Nunavut represents a landmark achievement in the political development of the Canadian North, including the commitment to self-government and continued devolution.

As pledged in *Gathering Strength: Canada's Aboriginal Action Plan*, Canada will work toward the settlement of all outstanding land claims and the completion of self-government agreements in the North as a mechanism for developing a strengthened and forward-looking partnership with Aboriginal peoples. Through the Action Plan, the federal government has sought to contribute to a process of political, economic and social renewal in the North.

This devolution and renewal needs to be accompanied by a coherent northern foreign policy strategy that maximizes the opportunities being realized by northern Canadian communities, while also supporting and augmenting their efforts to successfully manage the challenges facing the North. One example is resources: world demand is increasing for Canada's northern resources (including fisheries) and related exploration and processing activities. Another example is climate change, which may have an effect on the potential use of the Northwest Passage. Previously closed by ice, the Passage is now open for several weeks each year. A third is air traffic over the Arctic, which is also growing. In 1999, some 85 000 overflights were recorded, and the forecast annual growth rate is 3 percent to 5 percent. Once Russia opens its northern airspace to international aviation, the number of overflights could increase significantly, with a proportionate rise in the risk of accidents, emergency landings and search-and-rescue requirements.

These various developments enhance the potential for tourism and new northern transportation routes, and should create new economic opportunities for the North. However, with such opportunities come additional pressures in the sustainable management of natural resources and the environment, as well as in economic and social development. For this reason, innovations emerging from the northern renewal process are both timely and necessary, as are advances in information technology that can more effectively link developments and knowledge in the Canadian North with the rest of Canada and the circumpolar world. However, equally important will be Canada's efforts to ensure that international/circumpolar policies, practices and regulations promote and protect northern interests,

starting with the preservation of the fragile ecology of the North. Surveillance, enforcement of laws and regulations, and the co-ordination of emergency-preparedness systems will be critical.

In translating the new reality of Canada's North into foreign policy, we need to move beyond the vague, symbolic visions of the past. We must assess the values and interests emerging from the North's renewal process, and translate them into sources of international influence. This will require the involvement of Aboriginal and territorial authorities in the implementation of a northern foreign policy. It will also require a commitment to strengthening the widespread but poorly supported research network that exists throughout Canada, which has important expertise, knowledge and experience that must be harnessed more effectively in support of the Northern Dimension of Canada's Foreign Policy. There must also be the recognition that effective linkages between research and policy analysis networks must extend beyond Canada, reaching out to similar networks within the circumpolar region. Intrinsic to this research and policy analysis network will be the recognition and integration of traditional knowledge.

The International Context – an Enlarging Circumpolar Partnership

The circumpolar North is not homogeneous. The heterogeneity of development levels, interests and visions among circumpolar countries, coupled with the fact that the region is one of the world's richest in natural resources, may increase the potential for tension in the North. On the other hand, recognition of the challenges facing the region has led the eight Arctic countries to move forward across a broad front over the past decade to begin building a circumpolar community of interests. From both economic and political perspectives, the North has the potential to become a significant factor in world affairs.

The establishment of the Arctic Council in 1996 marked the growing maturity of the circumpolar region. Canada recognized that it shared many common challenges, problems and opportunities with its Arctic neighbours, so it sought to expand co-operation through the Arctic Council to create a circumpolar community that would be self-aware and able to work together to solve its problems regionally and globally. Progress toward these goals should contribute to the formation of a strong institutional framework that encourages greater co-operation among northern governments, Aboriginal peoples, industry, and

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non-governmental organizations (NGOs) in pursuit of concrete initiatives. Such progress responds to the challenges that we are all confronting in the Arctic, but that are outside the control of any single country.

The Arctic Council is, of course, not the only existing circumpolar forum or focal point for circumpolar policy development and co-operation. The Nordic Council was founded in 1972 to target co-operation on regional and common political issues. The creation of the Council of the Baltic Sea States in 1992 and the Barents Euro-Arctic Council in 1993, plus the anticipated adoption of the European Union's Northern Dimension Action Plan in June 2000, reflect the broader European integration process intended to bridge common northern interests. They are also increasingly focussed, as is the U.S. Northern European Initiative (which is directed primarily at the three Baltic states), at preventing the emergence of a socio-economic and environmental fault line at the eastern border between the expanding EU, its immediate northeastern neighbours, and Russia. There is a growing recognition in these regional forums of the importance of ensuring effective information sharing, co-ordination and co-funding initiatives for shared priorities.

Protecting the vulnerable circumpolar ecosystem from environmental degradation and transboundary effects is another area in which international co-operation is vital.

These various institutions and initiatives are not only preoccupied with stability in northern Russia, but also with sustainable development and environmental protection across the Arctic region. Protecting the vulnerable circumpolar ecosystem from environmental degradation and transboundary effects is another area in which international co-operation is vital. Scientific evidence shows that the North acts as a global "sink" for environmental contaminants, including persistent organic pollutants. The pollutants are transported over long distances by water and air currents, and eventually enter the animal and marine life. In fact, food from this source is the main source of nourishment for Indigenous peoples living in the North. The contaminants are absorbed in the fatty tissues of northern animals, eventually to be consumed by humans. The global community has recognized the need to reduce and eliminate the long-range transport of pollutants, and it must cement its commitment through legally binding international protocols and agreements, such as the UN negotiations toward a global convention on persistent organic pollutants.

Canada has also had long-standing bilateral agreements with the United States on a range of issues affecting the interests of both countries in the Arctic. The recently developed Canada-Norway Partnership for Action underlines Arctic co-operation as an area of common interest in the context of the joint pursuit of a human security agenda.

To realize the full potential of the North, northern Canadians and the circumpolar community need to recognize and act on the basis of being a natural community — bound not only by geography but also linked by common experiences and often values as well. The challenges are to define those shared values and interests; to put them into sharper focus; to make better use of the community of existing organizations and the network of contacts in the circumpolar region; and to draw on our collective resources to address these issues within the circumpolar region.

The Consultative Process – Listening to Canadians

In 1997, the House of Commons Standing Committee on Foreign Affairs and International Trade (SCFAIT) took a new look at the North and prepared a comprehensive report, *Canada and the Circumpolar World: Meeting the Challenges of Co-operation into the 21st Century*. This began a process of extensive consultation and discussion throughout Canada over the next two years that has led to the preparation of this policy statement, the Northern Dimension of Canada's Foreign Policy. Key elements of the consultative process (starting with SCFAIT's review and report) included Minister of Foreign Affairs Lloyd Axworthy's September 1998 discussion paper *Towards a Northern Foreign Policy for Canada*; the 1998 National Forum; a major expert roundtable in December 1998; an extensive round of consultations in 1999 focussed on northerners and other key stakeholders, led by Canada's Ambassador for Circumpolar Affairs Mary Simon; and a final series of discussions held by Minister Axworthy with his Arctic Council counterparts and by Prime Minister Jean Chrétien when he met with the President of Finland and the head of the European Union, Martti Ahtisaari, in December, 1999.

Based on these extensive consultations, Minister Axworthy and the Department of Foreign Affairs and International Trade (DFAIT) prepared a draft policy statement, which was then subject to further discussions involving key federal agencies responsible for policy areas that touch on the circumpolar North — including the Department of Indian Affairs and Northern Development, the Canadian International Development Agency (CIDA), Environment Canada, Natural Resources Canada and Health Canada — before public release.

The Northern Dimension of Canada's Foreign Policy – Key Objectives

As was often pointed out in discussions with Canadians and key circumpolar partners, Canada brings a number of important assets to the circumpolar table:

- our experience in developing northern institutions, community building, and working with Aboriginal peoples and other Northerners;
- an acknowledged expertise in northern science and environmental technology;
- a cutting-edge capability in telecommunications and information technology;
- an innovative approach to governance and natural resource management in the North; and
- a wealth of experience in co-operating with Russia on Arctic affairs.

Given these assets, and given the convergence of territories, interests and events in the circumpolar region, a unique opportunity exists for bringing to bear Canada's northern identity and expertise, and translating them into broader influence. The Arctic is an area of international relations in which we can make a difference, in which we can bring added value. A far-sighted Canadian foreign policy will provide the means and the opportunity to assert our role as a bridge builder. Our active involvement in circumpolar issues will contribute to the consolidation of our interests in the region.

In keeping with the international and domestic contexts, our experience, capacity and perceived role, and taking into account the advice and suggestions made during the consultative process, it has been determined that the Northern Dimension of Canada's Foreign Policy should have four overarching objectives:

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4. to promote the human security of northerners and the sustainable development of the Arctic.

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These objectives will be pursued through a number of initiatives and venues. In particular, Canada's northern foreign policy will focus on four priority areas: support for the work of the Arctic Council; participation in the expanding international support for northern Russia; realizing the full potential of the University of the Arctic, and enhancing a Canadian and circumpolar policy research network; and promoting sustainable development through the pursuit of economic and trade opportunities across the circumpolar region.

Strengthening the Arctic Council

The Arctic Council was founded in 1996 as an umbrella organization to give political impetus and strategic direction to the circumpolar community. As founding chair, Canada sees the Council as the main focus of our emerging northern foreign policy. To maintain our influence in the region, we will deepen our commitment to circumpolar partnerships, beginning through the Arctic Council.

A unique feature of the Arctic Council — one that gives it critical legitimacy and relevance — is the direct participation of northerners, particularly Indigenous northern peoples. Building on Indigenous involvement in its forerunner institution, the Arctic Environmental Protection Strategy, the Council has broken new ground internationally. For the first time — anywhere — Indigenous peoples, as Permanent Participants, have an integral role to play in the work of the Arctic Council. When the Council meets, it does so with the full and active participation of the Inuit Circumpolar Conference, the Saami Council, the Russian Association of Indigenous Peoples of the North, and the Aleut International Association. Their involvement ensures that those with the most at stake have a clear voice in shared forums to resolve common transboundary concerns and to develop common approaches.

At the next Arctic Council ministerial meeting in Alaska in October 2000, an additional permanent participant may be approved, which will further broaden and deepen the involvement of northern Indigenous peoples in the work of the Council. However, all Permanent Participants lack sufficient internal resources to participate effectively. They continue to require assistance from Arctic Council member states to ensure effective participation.

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The five main Working Groups of the Arctic Council collectively carry an agenda that focusses on the sustainable development and environmental protection of the Arctic region. Together, they represent an effort to address the most critical issues facing the circumpolar North, where multilateral co-operation is vital. These include the Sustainable Development Working Group, the Protection of the Arctic Marine Environment, the Arctic Monitoring and Assessment Program, the Emergency Prevention, Preparedness and Response Group, and the Conservation of Arctic Flora and Fauna. There is interest in expanding the work of these groups, and in creating others as well. However, chronic under-funding hampers existing programs and prevents effective expansion.

The secretariat for the Arctic Council is another issue that must be addressed, not only because of the need to more effectively support the efforts of the Working Groups, but also to ensure its viability and effectiveness. The Arctic Council must be effective in linking with other regional forums, bilateral programs and broader multilateral discussions. Such linkages are crucial in order to avoid duplication and maximize awareness and effectiveness. This need has been recognized by all Arctic Council members, as well as by the other Arctic regional forums previously mentioned. An ongoing commitment to the work of the secretariat is required if it is to be effective. A strong secretariat can build on work that has already been done to catalogue various activities and programs in the circumpolar region.

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Through the Northern Dimension of Canada's Foreign Policy, Canada intends to focus policy efforts and increased resources on strengthening existing activities of the Arctic Council and promoting a continued and increased role for Permanent Participants. Indeed, Canadian support for emerging northern civil society could prove invaluable in influencing the decision-making process on Arctic issues in major world capitals. It will facilitate the development of northern people-to-people contacts, and will support increased North-South linkages. It will continue to encourage Indigenous community activities, while promoting the participation and leadership of Aboriginal community leaders.

Canada will promote more effective linkages between the Arctic Council and other forums in which Arctic issues are addressed. Where possible, expanding the Council's work will also be a focus, perhaps starting with the link between emerging economic and environmental issues (e.g. impact of climate change on the Northwest Passage as a commercial route) and also a link to research and education. These last objectives relate, in part, to an identified need for capacity building within Arctic communities; and a search for means to ensure sustainable economic growth in the circumpolar world as traditional economies wane, while maintaining a focus on environmental protection.

Canada's contribution will include:

- increased support to the overall work of the Arctic Council;
- financial and institutional support to Permanent Participants of the Arctic Council;
- leveraged/partnered funding for specific Working Group activities, flowing from the 1998 Iqaluit Declaration endorsed at the Arctic Council Ministerial Meeting, including further development of the Children and Youth initiative; and
- support for a capacity-building focus in the Arctic Council.

Establishing a University of the Arctic and a Canadian and Circumpolar Policy Research Network

Canada has been a consistent proponent of the development of a circumpolar University of the Arctic, which would help to build on northern (including Indigenous) knowledge and develop northern capacity to manage the challenges of the Arctic region in the decades to come. Such a concept would also integrate advances in distance education, where Canadian experience is substantial.

A complementary focus, both through the University of the Arctic and through existing institutional capacity, is the strengthening of an Arctic policy research network that links Canadian experts more effectively with each other, and with experts across the circumpolar world, again taking advantage of new communication and information technologies. This connected expertise should not only benefit basic research and knowledge, but should also be encouraged to contribute directly to the work of the Arctic Council through policy-relevant analysis.

Existing expertise resides in many Canadian locations: academic institutions such as the Universities of Calgary, Alberta, Manitoba and Northern British Columbia, and Yukon and Arctic Colleges; agencies and NGOs such as the Canadian Polar Commission, the Canadian Arctic Resources Committee and the Inuit Circumpolar Conference (Canada). There are many scientists and policy experts at the federal, provincial and territorial levels. Private-sector firms that have operations in the North employ experts across a range of fields. Many of these experts have their own linkages with like-minded experts within Canada and across the circumpolar world. However, many of them face chronic under-funding and/or poor connectedness to policy-making bodies. These issues must be addressed if Canada is to play a serious role in circumpolar affairs.

A prosperous Russia is crucial to the stability of the international system, and a sustainable and prosperous North is crucial to the stability of Russia.

The Canadian government will work with provincial and territorial counterparts, granting institutions, foundations and private-sector interests, as well as interested Arctic Council partners, to promote enhanced and connected Canadian and cross-polar expertise in academic, NGO and northern-based institutions. The focus will be on determining how to develop a University of the Arctic distance-education program, as well as a research network that can be linked, as appropriate, to the policy process, including the work of the Arctic Council. The federal role will focus on partnership and seed resources, helping to make the connections between research and policy development and building linkages with policy-making bodies such as government agencies and the Arctic Council.

Some specific initiatives to be considered include:

- developing a University of the Arctic distance-education program;
- increasing the number of northern youth internships, youth employment and student exchanges, and education options through the University of the Arctic and affiliated colleges within the circumpolar region; and
- providing partnered funding for the development of a Canadian circumpolar policy research network, linking complementary Canadian institutions. The effort would also include linking up with other circumpolar research centres.

Cooperation in Northern Russia

A prosperous Russia is crucial to the stability of the international system, and a sustainable and prosperous North is crucial to the stability of Russia. With only 8 percent of the national population, the Russian North produces 20 percent of the country's gross domestic product (GDP), and is one of Russia's leading hard currency-earning regions. With 80 percent of the North's total population, Russia is by far the most populous circumpolar area. In 1997, some 12.1 million people, including 200 000 Indigenous people, lived in the Russian Far North.

The collapse of the Soviet development strategy has had environmental impacts that are well known and impossible to ignore. For example, sulphur dioxide discharges from metal and mining enterprises have damaged vast territories in the Kola Peninsula. According to the International Atomic Energy Agency, 150 nuclear reactors from decommissioned submarines are waiting to be dismantled in Murmansk and Arkhangelsk. The Agency report also states that more than 8500 tons of highly enriched spent fuel is waiting to be reprocessed and properly stored around the Barents Sea, and an additional 500 million cubic metres of low-level radioactive waste remains to be treated.

The situation for Indigenous peoples is even more difficult. With subsidy programs curtailed or ended, some settlements are returning to self-sufficient economies and struggling to revive their traditional culture. Living conditions remain harsh. Finances appear inadequate to support the re-emergence of sustainable Indigenous communities. At the same time, political reform has granted greater autonomy to Indigenous peoples, who are actively looking for ways to become involved in both the domestic and international northern policy-making processes.

Although most international attention and assistance has focussed on northwestern Russia, circumstances northeast of the Urals are equally urgent. The situation in the Russian northeast should also be factored into International Financial Institution action plans and programs. Maximum synergies should be sought, so that what is being done in the Barents and Baltic areas would be viewed in the broader context of international efforts to stabilize Russia and integrate it further into the international system.

Canada has a historic interest in Russia's prosperity and security — indeed, we have much at stake there. Given the weight of the Russian North in the future of Russia and the region, immediate and concerted action is urgently needed. The future of the Russian North, therefore, is important to Canada, and is a key focus of the Northern Dimension of Canada's Foreign Policy.

The Arctic identity that Canada shares with Russia provides a special basis for co-operation focussing on the North. Canada has a number of bilateral agreements covering northern issues, especially in areas of scientific and economic development and, more recently, development assistance in the areas of the environment and Indigenous peoples. Because of the environmental similarities, Canada has always had a commercial interest in Russia. With our experience and expertise in tapping natural resources in the Arctic, we have a comparative advantage in Russia, creating excellent opportunities for Canadian investments. Similarly, in the environmental sector, Canadian technology and management techniques are second to none.

Through CIDA's Technical Assistance Program, Canada is already making a significant contribution to democratic development and economic liberalization in Russia. This strategy has been successfully extended to the Russian North, where 20 projects are currently under way in the areas of good governance, economic reform and the environment.

Radioactive waste clean-up and environmental remediation are other areas in which our Russian partners would welcome Canadian expertise. Canada can make a major contribution by promoting other policy objectives, such as non-proliferation and disarmament, as well as environmental protection. At the 1999 Group of Eight (G-8) Summit in Cologne, leaders agreed to address these issues by building a broad international partnership on expanded threat reduction. Within this initiative, activities are being considered for addressing the management of radioactive waste originating from military activities, and the decommissioning of Russian nuclear submarines, particularly at sites in the Russian Arctic. A multi-year, multi-task program would be developed to identify specific projects for these purposes, with identification of areas that best suit Canadian expertise. The adoption of a funded Canadian strategy would support our aims in the circumpolar region, allowing us to extend our participation in sub-regional groupings, such as the Baltic and Barents Councils and the Arctic Military Environmental Co-operation program, a joint Russian-American-Norwegian initiative aimed at addressing military-related critical environmental concerns in the Arctic.

Perhaps more than any other country, Canada is uniquely positioned to build a strategic partnership with Russia for development of the Arctic. In the short term, this means giving priority to addressing the socio-economic and environmental issues in the Russian North. Canadian objectives should be formulated in a way that reflects broader international goals, and Canadian activities should take into account the capacity of other partners, especially the United States and the European Union, to undertake funding responsibilities and partnerships.

Specific Canadian activities could include:

- contributing funds toward the implementation of the 1992 Canada-Russia Agreement on Co-operation in the Arctic and the North, as well as the 1997 Memorandum of Understanding concerning Co-operation on Aboriginal and Northern Development;
- working to expand bilateral economic and business ties with northern Russia, in co-operation with provincial and territorial governments, as well as business and NGO communities;
- supporting the activities of the Working Group on the Arctic and North, under the aegis of the Inter-governmental Economic Commission. This could include the creation of a Canada-Russia Northern Chamber of Commerce and the promotion of northern transportation routes; and
- including a focus on Russia in northern youth exchange programs and internships to promote people-to-people contacts for future generations.

Promoting Sustainable Economic Opportunities and Trade Development

As outlined earlier (see The Domestic Context), there are increased pressures and opportunities related to economic development in the Canadian and circumpolar North. As was stated, these will create important challenges that a coherent Canadian policy strategy must address. Trade and investment are certain to increase across the Arctic region. Given the fact that they will help to build capacity in the North to pursue economic growth, this is to be welcomed. Pursuing such initiatives as the Arctic Bridge and intra-Arctic shipping could have important benefits for the livelihood of northerners.

However, as has also been stated, these developments will also demand increased vigilance — effective monitoring and management that will ensure that the fragile Arctic ecology is not compromised. Much can be done, through the Arctic Council and research networks, among others, to study and prepare for these developments. An important focus of Canada's northern foreign policy is to promote both the analysis and the development of management/monitoring/enforcement regimes (in some cases, building on existing frameworks, such as the Arctic Waters Pollution Prevention Act).

To this end, the Northern Dimension of Canada's Foreign Policy will promote, among other things, the following:

- discussions with the Arctic Council regarding the expansion of circumpolar transportation infrastructures (e.g. Arctic bridge, polar air route and intra-Arctic shipping) and the reduction of transportation costs;
- the inclusion of a northern trade dimension in future Team Canada missions;
- the launching of talks with our Arctic Council partners to facilitate trade and investment flows in the circumpolar region;
- the creation of a Circumpolar Chamber of Commerce, building upon those existing in the northern regions of Nordic countries and northwest Russia, and on the network of contacts within the Northern Forum; and
- the investigation of the potential of eco-tourism, in co-operation with territorial governments.

The government believes that it is critical to maintain an ongoing process of interaction and discussion with interested stakeholders.

Enlarging the circumpolar partnership is essential to the promotion of a greater extra-regional understanding and support for northern and circumpolar interests.

Ongoing Dialogue with Canadian and Circumpolar Civil Society

The announcement and implementation of the Northern Dimension of Canada's Foreign Policy does not mean the end of the dialogue with Canadians on circumpolar Arctic issues. The government believes that it is critical to maintain an ongoing process of interaction and discussion with interested stakeholders, as the policy implementation process unfolds and new questions and developments inevitably appear that can benefit from further consultation.

The government, under the leadership of the Ambassador for Circumpolar Affairs, is committed to maintaining this dialogue. In parallel, other venues for discussion and debate, as well as opportunities for organizations to make their views known to members of the Arctic Council, are welcomed and encouraged. Enlarging the circumpolar partnership is essential to the promotion of a greater extra-regional understanding and support for northern and circumpolar interests.

For example, the Northern Forum, consisting of 20 sub-national governments, largely from the Arctic Council states, and international NGOs such as the World Wildlife Fund for Nature and the International Union for Circumpolar Health, are encouraged to pursue their interventions on specific issues. In addition, SCFAIT, as well as the Parliamentarians of the Arctic region, should remain actively engaged, and should continue to focus Canadian thinking on our national interests in the circumpolar North.

Conclusion

The future prosperity of Canada's North will be influenced by our capacity to work with our regional partners to develop a common strategy for the sustainable development of the circumpolar region. Within Canada and the circumpolar region, there is recognition that future security and prosperity are closely connected with our ability to effectively manage northern issues. This is why we are taking a proactive stance in managing the issues, together with our northern communities.

Declaratory foreign policy is not enough to safeguard and promote Canadian interests and meet Canada's obligations. This Northern Dimension of Canada's Foreign Policy reinforces the federal government's commitment to the North and to northern peoples. In circumpolar affairs, Canada has been regarded as an important player. Arctic nations are cognizant of our record and ascribe to us an important role in leadership and diplomacy. The Northern Dimension of Canada's Foreign Policy demonstrates Canada's continuing commitment to maintaining this role. ❖

