

**FIFTH CONFERENCE OF PARLIAMENTARIANS OF THE ARCTIC REGION,
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The Arctic Council: Progress Report

Mr. Jari Vilén, Minister for Foreign Trade of Finland

Ladies and Gentlemen, Dear Arctic Colleagues,

The Arctic Council's next and third ministerial meeting of its history is only two months away. Finland assumed the chairmanship of the Council 18 months ago. Since then new areas of collaboration have emerged and considerable progress in the Council's traditional areas of cooperation has been achieved. I am especially delighted with drawing your attention to the strengthened visibility of the Arctic Council in the global context.

These two days here in Tromsø, in the city which has gained reputation as a set off on daring expeditions to the far North, give us opportunity to explore the vast and challenging field of Arctic cooperation. I'm happy to take part in this conference not only as a representative of the Finnish Chairmanship of the Arctic Council but also as a Northerner myself.

In two weeks the eyes of the global community will be turned to the Johannesburg World Summit on sustainable development. The Arctic Council has made efforts to increase visibility for issues relevant to the Arctic in the global work for sustainable development.

As you know, such dramatic changes as the melting of the glaciers and the permafrost, shifts in patterns of rain and forest growth, may play a substantial role in the climate change throughout the globe. The consequences may include disrupted wildlife migration patterns, altered fish stocks and modified agricultural zones. Changes of this kind already have an impact on the lives of native residents, who depend on the environment for a continuation of their traditional subsistence and lifestyle. They are expected to influence significantly on the oil and gas industry, tourism and shipping routes.

In order to highlight the substantial role the Arctic may play in the climate change throughout the globe, the Arctic Council will organise a parallel event on climate change in Johannesburg on the 30th of August. Those of you attending the Summit are warmly welcome to participate.

The fight against Persistent Organic Pollutants is another example of a fruitful dialogue between the Arctic and the global community. The Arctic Council and especially the Arctic Monitoring and Assessment Programme (AMAP) has played a crucial role in the efforts to minimize the harms involved with the usage of POPs.

AMAP's first assessment on the state of the Arctic environment four years ago illustrated the need for an effective global agreement on POPs. The Signing of the Stockholm Convention on POPs a year ago is a historical milestone in joint worldwide efforts for cleaner environment.

In October AMAP will introduce a new assessment on the State of the Arctic environment for the Arctic Council's Ministerial meeting. Besides POPs, heavy metals, radioactivity, human health and the changing pathways of the pollutants are in the focus of the assessment. The preliminary results indicate that the Arctic continuously serves as a basin for global pollution transported by sea currents and atmospheric and riverine pathways from sources far away, very often outside the Arctic, including Asia. Therefore all Arctic States and the Arctic Council should tirelessly keep up efforts in seeking cooperation with the non-Arctic states and partners in environmental issues.

Ladies and Gentlemen,

Developments in the Arctic have an increasing significance for the whole European Union. During the few months ahead we have a window of opportunity for strengthening the engagement of the EU in Arctic affairs. With Denmark as the President of the EU, Finland as Chair of the Arctic Council and Sweden of the Barents Euro-Arctic Council we should be able to achieve results that make a difference. Much has already been achieved in implementing the Northern Dimension Action Plan, adopted in Feira 2000. A big part of the Northern Dimension core area, as defined in the Action Plan, is located in the Arctic.

The establishment of the Northern Dimension Environmental Partnership is encouraging also for the Arctic. It offers new financial capacity for environmental and nuclear safety investments in the Arctic portions of North-West Russia. For the time being the European Commission, Denmark, Finland, the Netherlands, Norway, Russia and Sweden have contributed to the support fund which amounts to 110 Million Euro. The EBRD, EIB, NIB and the World Bank are all participants in the Partnership.

However, only a successful conclusion of the negotiations on the Multilateral Nuclear Environment Programme in Russia will release funds reserved for the management of nuclear waste and spent fuel. Success in these negotiations could also lead to additional contributions to the support fund from new donor countries.

The NDEP will also be an important and concrete first step towards achieving the goals of the G8 global Partnership Against the Spread of Weapons and Materials of Mass Destruction.

Dear Friends

The Northern Dimension and Arctic Window Conference in Greenland in two weeks will launch the preparations of a new Northern Dimension Action Plan, for the years 2004 –2006. The new Action Plan could enter into force as of 1st January 2004 and coincide with the likely date of the EU enlargement. It should reflect the new challenges involved with the enlargement.

The enlargement will extend the common border between the Russian Federation and the European Union. Cross-border cooperation between Russia and the new Member States in the Baltic Sea Area will certainly be a priority in the new Action Plan. While recognizing this I want to emphasize that the Union must not overlook the challenges and the potentials in the northernmost part of the Northern Dimension Area. Already the evolving energy cooperation between the EU and Russia justify a broader EU-engagement in Arctic issues. One can't develop energy cooperation without addressing social and environmental consequences of such cooperation. I hope that the choice of venue for the launch of the preparations of the Action Plan indicates that the EU and its Northern Dimension partners will take Arctic issues duly into account.

Dear Friends

In the Arctic Council there is a growing interest to intensify cooperation in the area of the economic and social pillar of the sustainable development.

During the Finnish Chairmanship the Council has explored the needs for circumpolar cooperation in infrastructure and transportation. One of the first tasks in efforts to promote long-term economic development in the Arctic, is to develop the infrastructure.

This spring, a study on the role of the Arctic technology in the business strategies of the Finnish companies and international financiers was carried out by Finpro, a company assisting Finnish companies to develop business opportunities abroad. Main potential was seen in oil, gas and forestry projects and clear interest for commitment of resources in the development of Arctic technology and business operation was expressed. Finland has long experience in Arctic construction, transport equipment, logistic and communication technology. The development of such projects as Timan-Pechora, Shtokmanovskoye and Snøhvit can be seen as a boost for the entire economic development in the Barents region.

The Snøhvit development here in Norway is based on piping the well stream from the sub sea templates to a treatment plant on land. Thanks to the advanced technological solutions harmful discharges from field to the sea are eliminated and a new record for

piping unprocessed well streams over long distances will be set. I hope that also Finnish technology and know-how could be used in projects and initiatives like this.

Reindeer husbandry is a basic economic activity in the Arctic, which is of utmost importance to indigenous peoples, including the Saami. Sustainable reindeer husbandry has been on the agenda of the Arctic Council and cooperation will be further developed into the direction of meat processing and product development. Also cooperation in the fields of sustainable tourism and timberline forests has progressed well. If properly managed, utilization of natural resources can bolster sustainable growth and promote the well-being of Northerners. Without precautionary measures, however, the traditional livelihood as well as the existence of pristine nature, may be in danger.

In the activities of the Arctic Council this precautionary principle is one of the cross-cutting themes. Updated Offshore Oil and Gas Guidelines and a Circumpolar Map of Resources at Risk from Oil spills in the Arctic will be introduced at the Arctic Council's Ministerial meeting in October. Drafting of Arctic Waters Oil Transfer Guidelines has been initiated as well. Furthermore, the Ministers will be handed over a set of recommendations aimed at intensified measures to promote conservation and protection of the Arctic environment.

Ladies and Gentlemen,

In the Arctic, the use of information technology can mitigate problems related to long distances and isolated, sparsely populated areas. Access to global wide communication networks and development of advanced technical solutions applied to harsh Arctic conditions are decisive elements in the successful development of trade, industry or locally anchored occupational structure in the North. Therefore I warmly welcome the activity of the Standing Committee of the Arctic Parliamentarians to address these questions.

In the Report "IT and Arctic" which is introduced to this conference, creation of a specific Arctic eDimension is suggested. I welcome this idea because there are many questions related to the development of IT in the Arctic, where sharing best practices could benefit everybody. When properly managed, IT-applications can offer a vital element of human resources development and capacity building in the Arctic. We have already some encouraging examples of this in the framework of the Arctic Council.

In the implementation of the Northern eDimension Action Plan (NeDAP) the Arctic issues should be taken duly into account.

The University of the Arctic, a university without walls, provides a virtual learning environment for those interested in circumpolar studies. Telemedicine has been identified as a key factor in improving the quality of life by providing high standard medical care for people living in remote areas.

Dear Arctic colleagues,

The Finnish Chairmanship of the Arctic Council welcomes with gratitude the strong commitment of Arctic Parliamentarians to the Council's work. The active role of Parliamentarians in the preparation of the initiative on the Arctic Human Development Report has secured the fast progress of the launch of this initiative. I'm looking forward to the completion of the Arctic Human Development Report for the Fourth Arctic Council's Ministerial meeting in 2004. This report will form an important roadmap for the future by providing a basis for the development of policies and actions aimed at sustainable human development in the Arctic.

Thank you for your attention. I wish all of you stimulating discussions among Arctic issues in this beautiful Norwegian city.