

Presentations from Rovaniemi 2018 SAO Meeting

2018-11

Arctic Council

Arctic Council Secretariat

<http://hdl.handle.net/11374/2239>

Disclaimer: This document may not be the final or approved version. It may be a working or draft version, as submitted to one of our Senior Arctic Officials meetings. Drafts are available in order to provide historical perspective on the work of the Arctic Council and the development of our scientific reports and assessments. To find final, approved versions of our reports and assessments, please make note of the title and visit the appropriate collection in our archive. Each collection listed below contains final documents from one of the six Working Groups. <https://oaarchive.arctic-council.org/handle/11374/1>, <https://oaarchive.arctic-council.org/handle/11374/617>, <https://oaarchive.arctic-council.org/handle/11374/126>, <https://oaarchive.arctic-council.org/handle/11374/3>, <https://oaarchive.arctic-council.org/handle/11374/52>, <https://oaarchive.arctic-council.org/handle/11374/4> Any citation of an Arctic Council document must include reference to the author. If no author of a particular document is identified, the document may still be cited; in these cases, the Arctic Council should be listed as the author. Downloaded from the Arctic Council Open Access Repository. <https://oaarchive.arctic-council.org/>

Arctic Economic Council: Update

Arctic Council Senior Arctic Officials'
Meeting
Rovaniemi November 2, 2018

Tero Vauraste
Chair, AEC



@ArcticEcom
@tvaurast

Agenda

- Development and Way Forward:
AEC Strategic Plan 2019-2021
- AEC Working Groups
- Collaboration: Ongoing and potential
- Conclusions

From Global to Local in the Arctic ...and vice versa

Arctic:

small markets → access to global value chains

+

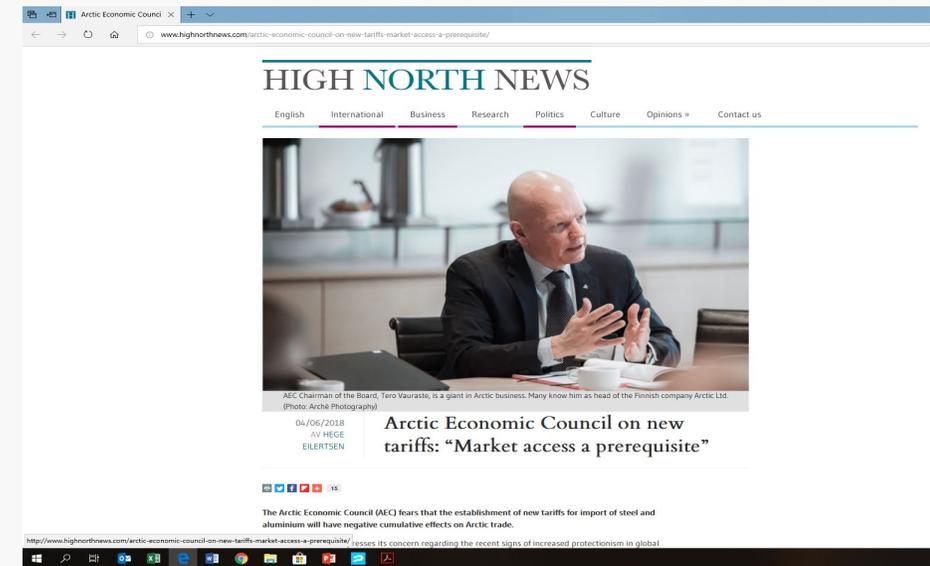
growing global interest (climate change, economic opportunities, natural resources)

= Strengthening the AEC as a global organization working **in** and **for** the Arctic

“It’s so easy to launch a trade war. But it’s so difficult to stop the disaster of this war.

(- -) When you sanction the other country, you sanction small businesses, young people (- -).“

Jack Ma, head of Alibaba, to World Economic Forum in Davos in January 2018



The screenshot shows a web browser displaying a news article on the High North News website. The browser's address bar shows the URL: www.highnorthnews.com/arctic-economic-council-on-new-tariffs-market-access-a-prerequisite/. The website header includes the title "HIGH NORTH NEWS" and navigation links for English, International, Business, Research, Politics, Culture, Opinions, and Contact us. The main content area features a photograph of Tero Vauraste, the Chairman of the Board of the Arctic Economic Council, sitting at a table and speaking. Below the photo, the article title is "Arctic Economic Council on new tariffs: 'Market access a prerequisite'". The date is 04/06/2018, and the author is AV HEGE EILERTSEN. A social media sharing bar is visible below the article title. At the bottom of the page, there is a small text block that reads: "The Arctic Economic Council (AEC) fears that the establishment of new tariffs for import of steel and aluminium will have negative cumulative effects on Arctic trade." and "It's concern regarding the recent signs of increased protectionism in global".

AEC Strategic Plan 2019 →

Strengthening the work already started

Continuity – building upon existing strategy

Operationalization

Economic Growth

- Advocating for free trade & improved cross-border cooperation.
- Focus on responsible investments.

Global AEC

- From Arctic-to-Arctic to global approach.
- Linking the Arctic value chains to the global ones.

Arctic Stewardship in Action

- Practical, actionable guidelines on how to include the local communities and businesses in Arctic business operations.

Strong Organization

- Strengthening the AEC as the voice of the pan-Arctic business community.
- Strengthening the foundation for a well-managed and efficient organization.

AEC Strategic Plan 2019 → Economic Growth

- Continued cross-border cooperation across the Arctic.
- Cross-border cooperation globally, linking the Arctic to the global value chains.
- Advocating for freedom of trade.
- AEC as a network promoting global economic collaboration and B-2-B collaboration.
- Setting guidelines and advocating for responsible investments in the Arctic.
- Promote infrastructure development and the use of P3s in the Arctic when relevant.

AEC Strategic Plan 2019 → Global AEC

- Creating stronger ties to non-Arctic economies and value chains.
- AEC as the preferred advisor and expert to be consulted in Arctic business matters.
- Advocating for the interest of the Arctic businesses in relevant policy processes globally.
- Maintain awareness of up-to-date and expected economic activity in the Arctic and in regions closely linked to Arctic business operations.

AEC Strategic Plan 2019 → Arctic Stewardship in Action

- Continued promotion of indigenous and local knowledge as an addition to science-based approach.
- Promoting partnerships between businesses active in the Arctic and the local and indigenous communities; strengthening the inclusion of indigenous and local businesses to business operations in the Arctic.
- Work on the development of code for responsible investments in the Arctic as a tool to promote Arctic Stewardship and partnerships with the local and indigenous communities.
- Collaboration between industry and academia.
- Improvement of the socio-economic condition e.g. by improving connectivity.
- Work on SDGs.

AEC Strategic Plan 2019 → Strong Organization

- Securing sufficient funding for the AEC Secretariat with the aim of increasing its resources in the medium term.
- Strengthening the national AEC organizations.
- Adjusting the organizational structure when needed.
- Strengthening the organization's membership structure and AEC's role as a business organization.
- Concrete, measurable goals regarding membership recruitment.
- AEC seen as the most important organization representing the pan-Arctic business community.
- Advocating for an inclusive approach in Arctic business and policy.
- Continue working closely with the Arctic Council.
- AEC's work on communication should reflect these goals.

AEC Strategic Plan 2019 → Strong Organization: Continued

Funding:

- Initial funding (3 years) from Norwegian business community and Ministry of Foreign Affairs
- Membership fees initiated in 2018 (annual fees)
- Ministry for Foreign Affairs of Finland: support during the Finnish Arctic Council Chairmanship period
- Project funding from Nordic Council of Ministers (Top of the World Arctic Broadband Summit) in 2018

Challenge:

- Chicken vs. Egg: content & recruitment
- High demand for AEC and business community's input vs. resources

The AEC Membership

Agnico Eagle Finland Ltd (FI)

Arctia Ltd (FI)

Arctic Slope Regional Corporation (US)

ATCO Group (CA)

Bering Straits Native Corporation (US)

Confederation of Danish Industry (DK)

Confederation of Icelandic Employers (IS)

Confederation of Norwegian Enterprise (NO)

Crowley Marine Services (US)

Danish Shipping (DK)

Equinor ASA (NO)

Ericsson Canada (SE)

GCI Business (US)

HENSOLDT Sensors GmbH (DE)

LKAB (SE)

Korea Shipowners' Association (ROP)

The Maine North Atlantic Development Office (MENADO) (US)

NANA Regional Corporation (US)

Northwestel (CA)

Norwegian Oil and Gas Association (NO)

Norwegian Shipowners' Association (NO)

SFS Icelandic Fisheries (IS)

Sovcomflot (RU)

Sparebank1 Nord-Norge (NO)

Ukpeagvik Iñupiat Corporation (UIC) (USA)

United Shipbuidling Corporation (RU)

Ursus Investments (IS)

Indigenous Organizations:

Arctic Athabaskan Council

Aleut International Association

Gwich'in Council International

Iñuit Circumpolar Council

Saami Council

Russian Association of Indigenous Peoples of the North (RAIPON)

AEC Working Group Infrastructure: Maritime Transportation

Membership: premier ship operators in the Arctic

Work plan:

- National and international Arctic navigation rules and regulations, possible harmonization
- Hydrographic mapping status and the operators' priorities
- Current and future environmental regulations
- Freedom of trade
- Administration of the traffic management in the Arctic waters

Examples of activities:

June 2018:

Connectivity at Arctic Seas one theme at the 3rd AEC Top of the World Arctic Broadband Summit

November 2018:

Outreach at Arctic Technology Conference, Houston, TX, USA

AEC Working Group: Responsible Resource Development

Focus: Mining in the Arctic

RRD WG has consolidated insights from a wide spectrum of Arctic stakeholders (companies involved in Arctic mining projects, stakeholders in indigenous groups, potential Arctic investors and government entities)

Lay out a plan for resource development which

- creates sustainable economic benefits consistent with the aspirations of the local Indigenous peoples
- provides economic growth and long-term prosperity while protecting the existing environment.

Focus areas:

- Human Capacity
- Built Infrastructure
- Regulatory and Governance
- Data (Sharing/Accessibility to existing sources)
- Economic

Leading practice guidance

AEC Working Group: Investments and Infrastructure

Arctic Business Analysis: Image of the Arctic as an area with low economic and business development potential challenges the region's development.

How to facilitate investments in the Arctic?

- AEC IIWG works to strengthen, encourage, and help realize the application of good investment principles on the ground
- Building on the Arctic Investment Protocol (AIP), originally a World Economic Forum product
- Building a coalition of support for the principles

Creating a Win-Win relationship between local and international participants

Analysis: Business Financing in the Arctic

- AEC serves as an expert partner

AEC Working Group: Connectivity

Background:

- Infrastructure: Telecommunications Working Group
- Top of the World Arctic Broadband Summits 2016, 2017, 2018

Connectivity WG

Mission: Collaboration

- Serve as resource for the Arctic Council
- Work collaboratively with AC & other stakeholders to advance connectivity and economic development in the Arctic region
- Solicit input and/or seek information

Priorities:

1. Better understanding of how investment in communications infrastructure can connect the people of the Arctic to the world; summarize transmission technology options and their usage
2. Analysis of increased need for data and datacenters
3. Examine possible AEC contribution to data center development potential
4. Coordination of economic development initiatives
5. Explore communications industry models for cooperation

AEC Working Group: Energy

Objective: to provide simple, balanced information to key stakeholders regarding the context, opportunities and challenges for use of Arctic energy resources.

Provide perspectives on future global energy needs, the availability of resources in the Arctic, and the opportunities and challenges associated with use of these resources.

1. Perspectives of future energy needs
2. Mapping of Arctic energy resources
3. Challenges and opportunities for energy utilization
4. Highlighted best practices for Arctic energy
5. Booklet development and production

Collaboration: Ongoing and potential

Good Practice Recommendations for Environmental Impact Assessment and Public Participation in the Arctic (Arctic EIA)

- AEC serves at the Editorial Group

Connectivity: Dialogue between AC & AEC, potential for collaboration

Collaboration proposal: AEC's Energy WG and SDWG AREA project:

- Mapping of resources, data sharing

Deliverables

Fairbanks Declaration: AEC included in §17, 19 & 44:

Deliverables to the Ministerial Meeting

- Joint proposal to the Ministerial Meeting regarding connectivity?
- AEC statement
- AEC Working Group products

2019 AEC Annual Meeting back-to-back with AC Ministerial in Rovaniemi

Conclusions

Integrating the Arctic to the global on our terms. AEC works IN the Arctic, but also in the global scale FOR the Arctic.

- E.g. work on sustainable investments principles

New Strategic Plan: Operationalization of our work

- Economic growth, global dimension, stewardship & organizational

Ongoing collaboration; willingness to contribute in the Arctic Council's work also in the future

www.arcticeconomiccouncil.com

Twitter: @ArcticEcom

Contact information:

AEC Secretariat
C/O NHO Arktis
Postboks 448 Sentrum
9255 Tromsø, Norway

info@arcticeconomiccouncil.com



@ArcticEcom