

RUSSIAN INTERNATIONAL AFFAIRS COUNCIL

THE ARCTIC

PROPOSALS FOR THE INTERNATIONAL **COOPERATION ROADMAP**



Russian International Affairs Council

Russian International Affairs Council

Editor-in-Chief:

I.S. Ivanov, Corresponding Member, RAS, Dr. of History

Editorial Board:

I.S. Ivanov (Chairman), Corresponding Member, RAS, Dr. of History;

V.G. Baranovsky, Academician, RAS, Dr. of History;

A.M. Vassilyev, Academician, RAS, Dr. of History;

A.A. Dvnkin, Academician, RAS, Dr. of Economics:

V.L. Inozemtsev, Dr. of Economics;

A.V. Kortunov, Ph.D. in History;

V.A. Mau, Dr. of Economics;

V.V. Naumkin, Corresponding Member, RAS, Dr. of History;

S.M. Rogov, Academician, RAS, Dr. of History;

I.N. Timofeev (Academic Secretary), Ph.D. in Political Science

Authors:

A.V. Zagorsky (Lead Author), Ph.D. in History; D.K. Bekyashev, Ph.D. in Law; A.I. Glubokov, Dr. of Biology; P.V. Savaskov, Ph.D. in Law; E.N. Khmelyova, Ph.D. in Law

Copy Editors:

I.N. Timofeev, Ph.D. in Political Science; **T.A. Makhmutov**, Ph.D. in Political Science; **L.V. Filippova**; **O.S. Rozhdestvenskaya**

The Roadmap's purpose is to outline the sequence and substance of the Russian Federation's engagement with external partners (governments and international organizations) in vital areas of international cooperation in the Arctic in 2012–2018. These proposals are intended to promote Russia's interests via effective international cooperation in the region. The Roadmap covers legal, institutional, environmental, natural resource, transportation, security and scientific aspects of these activities.

The Arctic. Proposals for the International Cooperation Roadmap / [A.V. Zagorski et al.]; [I.S. Ivanov, Editor-in-Chief], RIAC. – M. Spetskniga, 2012. – 36 pages.

ISBN 978-5-91891-211-9

Cover: Photo by U.S. Geological Survey

(http://www.flickr.com/photos/usgeologicalsurvey/)

CONTENTS

FOREWORD FROM RIAC	5
SUMMARY	7
INTRODUCTION	9
THE RUSSIAN ARCTIC ZONE IN INTERNATIONAL COOPERATION	1
MITIGATING ENVIRONMENTAL IMPACT IN THE ARCTIC1:	3
OINT MANAGEMENT OF FISH RESOURCES1	7
MARITIME SAFETY AND PREVENTION OF MARINE POLLUTION FROM SHIPS22	2
SECURITY2	5
SOVEREIGN RIGHTS AND NATIONAL IURISDICTIONS OF ARCTIC STATES2'	7
DIALOGUE WITH INTERESTED NON-ARCTIC STATES30	0
CONCLUSIONS AND RECOMMENDATIONS 33	3

FOREWORD FROM RIAC

Few issues on the current international agenda would resonate as powerfully with both politicial establishments and the public as the development of the Arctic. In fact, the whole area is a tight knot of interlocking issues pertaining to national sovereignty, jurisdiction and security of Arctic states, preservation of the unique nature and ecosystems, and balance of rights and interests of Arctic and non-Arctic nations.

The Russian International Affairs Council (RIAC) is convinced that the Arctic does not pose a single problem that can not be solved cooperatively based on common sense and solid foundation of international law.

The elaboration of a Strategy for Developing the Arctic Zone of the Russian Federation and Protecting its National Security for the period up to year 2020 has entered the final stage. It is supposed to take further and to specify the Basic elements of the Arctic policy of the Russian Federation up to year 2020 and beyond adopted in 2008.

Implementing the Strategy for Developing the Arctic and preserving of its unique environment presupposes broad international cooperation.

Fully aware of that fact, in 2012 RIAC launched a project to chart the International Cooperation Roadmap for the Arctic with a purpose of providing an inventory of current issues and their solutions that require enhanced international cooperation.

The research resulted in steps for enhancing international cooperation in the Arctic in the upcoming years which we propose for public discussion. RIAC will continue the work initiated in 2012. In particular, our plans include:

• to prepare an annual report on the status of international cooperation in the Arctic and advancement of Russia's national interests;

- to monitor the Arctic states' environmental legislations, as well as their regulation of navigation and fishing with a view to their harmonization;
- to provide further interdisciplinary training of new experts generation in international cooperation in the Arctic;
- to take the proposal to launch the Arctic Business Forum further and contribute to its activities in every possible way.

RIAC is open to cooperation with governments, businesses, experts and civil society of the Russian Federation, Arctic and other interested nations.

Igor Ivanov President of RIAC, Corresponding Member of the Russian Academy of Sciences October 2012

SUMMARY

Climate change in the Arctic creates expectations of an increase in regional economic activity that should see development of energy and mineral resources, as well as more intense shipping and fishing.

Seen as the strategic resource of this country for the foreseeable future, the Russian Arctic Zone (RAZ) will inevitably become an arena for an ever deepening international cooperation as the area's development will go further.

Economic activities in the Arctic are governed by the established legal regimes for Arctic waters, and clear-cut limits of sovereign rights and jurisdictions of coastal states. The only significant matter still unresolved is the delineation of the outer limits and the delimitation of the continental shelf of certain coastal states beyond their 200-nautic mile zones. However, the issue is not likely to generate disputes and conflicts over access to Arctic resources since the latter largely are concentrated within the uncontested exclusive economic zones (EEZ) of the coastal states.

At the same time, all Arctic states do face mounting challenges and problems. The most urgent of them are generated by the need to:

- preserve the unique nature and biological diversity of the Arctic ecosystems;
- prevent the emergence of an area of unregulated fishing in the Arctic Ocean:
- secure high standards for maritime safety and protection of marine environment from pollution;
- strengthen the capabilites for responding to emergencies and natural and man-made disasters;
- develop a cooperative framework for providing the balance of rights, responsibilities and interests of Arctic and non-Arctic states.

To this end, the following steps deserve consideration:

- 1. to establish and regularly convene an international Arctic Business Forum;
- 2. to ratify **the Convention on Environmental Impact Assessment in a Transboundary Context** (the Espoo Convention);

- 3. to coordinate with the Arctic states practical steps towards the introduction of an early **moratorium on fishing in the central basin of the Arctic Ocean** and towards conducting research (including joint research) of aquatic biological resources in the basin:
- 4. building on already accomplished comparative research, to initiate **a comprehensive review of the legislation** of Arctic states in the areas of environment protection, regulation of navigation and fishing, with a view to their potential harmonization;
- 5. to complete, within the agreed timeframe, the negotiation of an Arctic Council agreement on **marine oil pollution preparedness and response**;
- 6. under the 2011 Arctic Council Agreement on Cooperation in Aeronautical and Maritime Search and Rescue in the Arctic, to schedule a **joint full scale** live exercise in waters under the jurisdiction of the Russian Federation;
- 7. to discuss with neighboring Arctic states establishment of **joint emergency rescue centers** under the 2011 Agreement, one of them to be located on Spitsbergen (Svalbard);
- 8. to initiate discussions among Arctic nations on prior notification and invitation of observers (and potentially, participants) from all Arctic countries to all **international naval exercises** in the region;
- 9. under the auspices of the International Maritime Organization (IMO), to complete the work on the **Code of Safety for Ships Operating in Polar Waters** within the approved timeframe (2015–2016);
- 10. to ratify the **1990 maritime boundaries delimitation agreement with the U.S.**;
 - 11. to expedite the negotiations on the **U.S. Russia fisheries agreement**;
- 12. to settle unresolved fishing issues with Norway, with a view *inter alia* to establishing **uniform measures regulating fishing in the entire Barents** Sea and adjacent waters;
- 13. to step up **the dialog with interested non-Arctic states** in various international *fora*:
 - in the IMO on maritime safety issues and the protection of the Arctic waters from pollution from ships;
 - in an appropriate format to be agreed upon on introducing a moratorium on all fishing in the central basin of the Arctic Ocean;
 - in the Arctic Council on issues within its scope of competence, with non-Arctic nations involved as observers.
- 14. To continue providing further evidence in support of **the Russian claim for continental shelf outer limits** in the Arctic Ocean extending beyond its EEZ, bearing in mind that any final settlement will likely come in stages, take time and require close engagement with other Arctic coastal states.

INTRODUCTION

The growing international focus on the Arctic is primarily inspired by the current and projected climate change trends. On the one hand, the expected change may open fresh opportunities for development of this rugged region, and on the other, it would give rise to major new challenges.

The perennial icecap of the Arctic Ocean is steadily receding, although at an uneven pace. In summer, more Arctic waters become free of ice and more accessible for exploration and exploitation of their mineral and biological resources. In the ice-free period, larger areas open up for shipping for longer periods of time.

This transformation unlocks broader economic potential for the region, and, as part of it, for the Russian Arctic, that could become more involved in global economic activity.

At the same time, rapid climate change threatens the Arctic's biological diversity, as well as its unique and extremely vulnerable ecosystems. As a result of sea ice melting and receding, the unique Arctic wildlife habitats fade away, populations of Arctic animal and bird species shrink, and tree forestation begins to encroach on the traditional tundra ecosystems.

Climate change also affects human life and economic activity, as well as sustainability of transportation and social infrastructure. Melting permafrost inflicts damage and destruction on buildings and structures, pipelines, motorways and railroads, airfields and helipads.

Natural disasters become more prevalent. Rising levels of polar seas cause flooding and faster erosion of coastal areas shatters the traditional lifestyles and livelihoods of indigenous population.

The expanding scope of economic activities both onshore and in the Arctic Ocean is set to exert more pressure on the polar environment that until recently remained relatively intact. Future offshore hydrocarbon development and growing vessel traffic would pose a greater threat to environment from potential oil spills and busy large-tonnage shipping.

For coastal countries, development in the Arctic waters poses the following major requirements:

- to modernize the existing regional infrastructure and to build a new one;
- to maintain a high level of preparedness for natural and man-made disasters;
- to secure maritime safety;
- to enhance search and rescue capabilities;
- to counter cross-border challenges and threats;
- to enable communities and infrastructure to adapt to climate change.

Predictably, in recent years all Arctic nations have adopted regional strategies for reaping opportunities and responding to emerging challenges. All of them emphasize international cooperation and look for joint answers to common threats to national security and environmental as well as human security. Quite naturally, their proposed solutions differ, sometimes significantly.

International cooperation is a key ingredient of the development strategy for the Russian Arctic. Tapping the potential of the Russian Arctic while preserving its environment does not seem feasible without foreign investment and modern technology and requires a combination of modern knowledge and special Arctic skills.

Preserving the Arctic ecosystems calls for a closer cooperation in environmental monitoring; industrial and environmental safety; development of modern transport infrastructure; preservation and joint management of aquatic biological resources; modernization of industrial assets, social infrastructure and utilities; Arctic research and tracking its current change; and the buildup of human capital.

By now, a set of key issues has emerged that will determine the international cooperation agenda for the Arctic over the short and medium term:

- wider international cooperation for sustainable development and management of the Russian Arctic resources;
- preservation of biodiversity and ecosystems in parallel with enhanced economic activities on the continental shelf and in polar seas;
- conservation and joint management of aquatic biological resources in the Central basin of the Arctic Ocean;
- maritime safety;
- expanding cooperation in meeting shared security challenges;
- establishing the limits of sovereign rights of Arctic nations;
- striking a balance of interests between Arctic and non-Arctic nations.

THE RUSSIAN ARCTIC ZONE IN INTERNATIONAL COOPERATION

In the Cold War era, military and strategic considerations virtually shielded the Russian Arctic Zone from international cooperation that was limited to fishing agreements.

During the past two decades, the situation has radically changed. The RAZ has become an arena for intense bilateral cooperation, primarily with Arctic neighboring states, as well as for multilateral intergovernmental cooperation. Business contacts are also on the rise, particularly in the sectors of mineral resources, infrastructure and transportation.

There is a number of international institutions and frameworks that manage numerous cooperation projects in the Russian Arctic Zone, just to mention Barents Euro-Arctic Council (BEAC), Arctic Council, Russia-EU Northern Dimension, Russia-U.S. Threat Reduction Program, the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, and the Arctic Military Environmental Cooperation (AMEC) Program that brings together Russia, Great Britain, Norway and the U.S.

One may hardly find an area still uncovered by joint international activities – enterprise promotion and economic cooperation; development of transportation infrastructure; agricultural modernization; environmental protection; green economy; energy saving and efficiency; modernization of water utilities and integrated waste management; oil spill prevention and cleanup; healthcare and social welfare; nuclear and radiation safety; school, educational, cultural, scientific, athletic and business exchanges; cooperation of indigenous peoples' and civil society organizations, as well as many other fields.

Today, Russian Arctic researchers are solidly integrated in international programs and projects, which become increasingly interdisciplinary in nature. Along with partnerships with scientific centers in many countries, the International Arctic Science Council and the Sustainable Development Working Group working under

the auspices of the Arctic Council are growing in importance. Recently, the Arctic University was established that operates as a network of stakeholders.

Almost all major Arctic economic projects, i.e. exploration and development of onshore and offshore mineral resources, port construction, building icebreaker and large-capacity ships, etc, now involve international companies.

Currently it is hard to imagine the Russian Arctic without a broad network of international cooperation which has been playing an increasing role in resolving the issues Russia is facing in the RAZ, in fostering human capital and attracting modern technologies and skills to the region.

Adoption of the Strategy for Developing of the Arctic Zone will result in even deeper involvement of the RAZ in international cooperation that is set to become a vital tool for the implementation of the Strategy. And the goal is not just to expand the existing framework for intergovernmental action in the Arctic but also to engage with the business community, academia and civil society.

Due to the scope of the plans for the development of the RAZ, their implementation will require much more private investment, both domestic and foreign, and cutting-edge technologies and knowledge from around the world, in the areas to be given priority by the Strategy.

An important impetus could come from the establishment of an international Arctic Business Forum that would meet regularly and bring together relevant Russian federal ministries and agencies, regional and municipal authorities in the Arctic area, Russian and international businesses, academia, civil society, regional groups, as well as Arctic Council members and observers.

The Arctic Business Forum may become a communication platform to raise awareness of future implementation of, and opportunities opened by the Strategy for developing the RAZ with a view to attracting Russian and foreign private investors, contractors and subcontractors. At the same time, the Forum could promote an open and trust-based dialogue between representatives of public administration at all levels, and businesses, academic and non-governmental actors.

MITIGATING ENVIRONMENTAL IMPACT IN THE ARCTIC

Until recently, pollution of Arctic waters resulted mainly from the terrestrial economic activities (industrial development in the Arctic zone, discharges from northern rivers, military and especially nuclear activities), as well as from transfer of pollutants from other regions of the world. But on the whole, Arctic seas remain relatively clean compared to other regions.

The expected increase in economic activities in the Arctic, i.e. exploration, production, storage and transportation of offshore hydrocarbons and other mineral resources, more intense vessels traffic, development of Arctic tourism and potential emergence of new fishing areas should bring about new sources of marine environment contamination.

The primary concern in the Arctic is associated with risks of potential oil spills from future offshore production platforms and from the shipping of hydrocarbons and other mineral commodities by sea.

Management of specific risks of the Arctic marine environment contamination are predominantly regulated by national legislation of coastal states which incorporates applicable international standards and general norms of international law related to environmental protection¹.

There are also bilateral agreements in effect between Arctic nations that cover cooperation in preventing marine environment pollution in Arctic seas, and

¹ In addition to the 1982 UN Convention of the Law of the Sea, those rules are contained in the 1954 International Convention for the Prevention of Pollution of the Sea by Oil as subsequently amended; International Convention for the Prevention of Pollution from Ships as amended by the 1978 Protocol (MARPOL-73/78); the 1972 the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter; the 1969 International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties; the 1973 Protocol Relating to Intervention on the High Seas in Cases of Pollution by Substances Other Than Oil, International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea; the 1974 International Convention for the Safety of Life at Sea as amended by the 1976 and 1988 Protocols (SOLAS 74/78); the 1972 International Regulations for Preventing Collisions at Sea, etc.

specifically in oil spill response. Russia has concluded such treaties with Norway (for the Barents Sea) and with the U.S. (for the Bering and the Chukchi Seas).

General and specific standards for preservation of marine environment from pollution from ships or as a result of hydrocarbons development are set by instruments of the International Maritime Organization. In 2011, the IMO Guidelines for Ships Operating in Polar Waters came into effect to replace the 2002 Guidelines for Ships Operating in Arctic Ice-Covered Waters. The IMO also issues other international standards including guidelines for response to oil spillage in ice conditions and at low temperatures.

The expected increase in mineral resources development on the Arctic shelf will create new demand **for international cooperation** in mitigating ecological risks and impact on the environment in the special Arctic context, with the following goals in mind:

- to build applicable international legal framework for environmental safety regulation in the Arctic;
- to promote regional cooperation, primarily within the Arctic Council;
- to harmonize national environmental protection legislation of coastal states. The required steps may include:

Completion of internal ratification procedures for the UN Economic Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention).

The Convention contains obligations to conduct environmental impact assessment procedures at the early stages of siting industrial facilities that are listed in the Convention appendices. Application of these procedures in the specific Arctic conditions is detailed by the Arctic Offshore Oil and Gas Guidelines of the Arctic Council. The Convention also contains general obligations for states on mutual notification and consultation concerning major facilities that might produce significant transboundary impact on the environment.

The Espoo Convention has been ratified by the Arctic Council countries except Iceland, Russia, and the U.S. Its ratification by Russia and bringing the Russian legislation into compliance with the Convention's requirements would be a major step for mitigating the impact of Russia's planned projects on Arctic ecosystems. By the same token Russia would expand its arsenal for protecting its interests when discussing projects envisaged by other countries.

Signed in 2003, the **Espoo Protocol on Strategic Environmental Assessment** provides for evaluation of the likely aggregate environmental impact of all the regional plans and program including any potential ventures. Currently, only four Arctic nations (Denmark, Norway, Finland, and Sweden) are parties to the Protocol.

However, the Arctic Council Declaration of 2009 contains a provision on incorporation into national legislation of the Arctic Offshore Oil and Gas

Guidelines, which provide for both strategic environmental assessment and evaluation of various plans and programmes.

Whereas the procedure for environmental impact assessment is stipulated by the current Russian legislation and has been in application for years, the strategic environmental assessment is a new tool. **Russia's accession to the Protocol could become the next step after the Espoo Convention ratification**.

Expanded regional cooperation in environmental protection primarily takes place under the auspices of the Arctic Council.

The 2011 foreign ministers meeting established a working group to develop an Arctic Council agreement on preparedness and response to marine oil pollution in the Arctic. The group is to produce a draft agreement for the next foreign ministers meeting of the Arctic Council that is to take place in May 2013.

In this case, the goal is mostly to define areas of responsibility of coastal states for responding to oil spills. However, a follow-up to the agreement is expected to include joint development and testing of new technologies for oil spill cleanup and establishment of technical requirements for spill prevention and other more specific avenues for wider international cooperation in research and development.

Despite the framework nature of the agreement under consideration, the very fact of having a legally binding instrument being prepared by the Arctic Council in this area is a major step towards a regional environment protection mechanism for the Arctic.

In 2011, the Arctic Council also set up an expert group to formulate recommendations for the **ecosystem-oriented management of the Arctic environment.** Although the group is not meant to draft any agreements, the resulting approaches and philosophy could be used for compiling integrated marine management schemes and for planning marine areas on a bilateral basis.

The Russian-Norwegian Commission on Environmental Protection is to elaborate a **Concept for Integrated Management of the Marine Environment of the Barents Sea**. In 2006, Norway adopted an integrated management plan for the part of the Barents Sea area under its jurisdiction, which allows to apply the ecosystem-oriented approach for managing of all types of economic activities in a way that their aggregate environmental impact would not endanger the existence of marine ecosystems.

Implementing the Norwegian best practice would provide benefits for a whole range of economic activities (fishing, shipping, tourism and an upcoming hydrocarbon production) with minimum impact on marine ecosystems not only in the Russian section of the Barents Sea but over its entire water area.

Quite importantly for gradual implementation of a universal environment protection regime in the Arctic seas, **national legislations** could become progressively **harmonized across the coastal states** in the areas of preventing and

responding to pollution of marine environment from ships and by offshore extractive projects.

Some initial steps have already been made in that direction. Having signed the 2010 Treaty on the Delimitation of Maritime Boundaries and of the Continental shelf and Cooperation in the Barents Sea and the Arctic Ocean, Russia and Norway launched bilateral consultations towards harmonization of national environmental standards applicable to exploration and development of the offshore mineral resources. To this end, the parties have agreed to perform a comparative analysis of national legislations and to identify any existing differences.

Other Arctic nations are welcome to join the process. Although their domestic regulations for oil spill contingency planning differ, they have a lot in common as they are based on the same international regulations developed inter alia in IMO guidelines.

Cooperative effort for preventing environmental risks from Arctic marine economic activities may also develop along the following lines:

- information exchange and cooperation in monitoring marine environment;
- setting up national and international instruments for monitoring national compliance in the areas of industrial and environmental safety;
- development of common (uniform) technical regulations and guidelines for various economic activities in polar seas.

JOINT MANAGEMENT OF FISH RESOURCES

Several polar seas, primarily those considered by the UN Food and Agriculture Organization (FAO) as part of the North-Eastern Atlantic, i.e. the Norwegian, Greenland and Barents seas, as well as the Bering Sea in North Pacific² are known for their high biological productivity.

During the past 20 years, their importance for the Russian fishing industry has noticeably grown, as they make the second largest region by catch size after the Far Eastern seas. Russian fishing effort has grown there both in absolute and relative terms. In 1990, Russian fishermen harvested 510,000 tons (5.5 percent of the total Russian catch) in the North Atlantic, whereas during the past decade the annual catch stabilized at one million tons, which makes about a quarter of the total Russian catch.

International fishing cooperation in the Arctic is of special importance for Russia, as only 25 percent of its total Arctic catch is harvested within the Russian EEZ, whereas 65 percent originate from EEZs of other coastal states and 10 percent are caught in high seas beyong the EEZs. Those figures highlight the traditionally vital role that cooperation with other Arctic coastal states, primarily with Norway and the U.S., plays for Russia in regulating fishing activities.

Prompted by climate change, new issues emerge on the Arctic political agenda.

The FAO regards the Kara, Laptev, East Siberian, Chukchi, Beaufort and Baffin seas as a special statistical area of the Arctic seas (Statistical Area 18). These waters, as well as the central basin of the Arctic Ocean beyond the exclusive economic zones of coastal states, until now have practically never been used for fishing.

² The Kamchatka Peninsula and adjacent waters of the Bering Sea lie beyond Russia's definition of the Arctic Zone. However, the Bering Sea and Aleut Islands are included in the zone by the U.S. and, consequently, in the geographical limits of the Arctic Council. The Russia's Arctic catch data given below does not include the Bering Sea fishing statistics.

However, in recent years the ice cover has been progressively diminishing, and, as are sult of it, over 40 percent of the Arctic Ocean central basin beyond the Russian, U.S. and Canadian EEZs become now free of ice during summer season. The climate change here is really dramatic. In 2012 the icecap shrank to a record minimum yet again.

These waters do not fall within the jurisdictions of coastal states. But, since they have never been used for fishing, regulating these activities in the central basin of the Arctic Sea has never been considered of practical importance. Nowadays, the situation is changing. Nothing impedes vessels of states which engage in expeditionary fishing far away from their shores from beginning experimental fishing in that region.

This raises the question of establishing a **mechanism to regulate fishing in the central basin of the Arctic Ocean** beyond the exclusive economic zones of coastal states.

The discussion of that issue was initiated by the U.S. In 2009 it imposed a ban on fishing in its EEZ in the Arctic and in 2011 presented a draft multilateral fisheries agreement in the central basin of the Arctic Ocean enclave, with a view to step up the establishment of a regional fisheries management regime.

The U.S. suggests, following the precautionary approach to international fisheries management, to begin by imposing a moratorium on fishing in the area until its aquatic biological resources are researched and assessed. The findings from that research would be used for developing a regional fisheries management regime in the central basin of the Arctic Ocean. The U.S. assumes that the initiative for establishing moratorium should primarily come from Arctic coastal states while at the same time they should strive to commit the non-Arctic countries engaged in expeditionary fishing to observe the moratorium.

The European Union pursues a fundamentally similar approach. However, while the U.S. pursues the objective of developing a new regional fisheries management arrangement for that area, the EU suggests to extend to this area the mandates of already established regional fisheries management bodies that had proven their efficiency in the North-East Atlantic, i.e. of the North East Atlantic Fisheries Convention (NEAFC) and the North Atlantic Salmon Conservation Organization (NASCO).

The policy of Canada, which had initially reacted to the U.S. proposal with hesitation, seems to be changing in favor of the moratorium.

The fishery authorities in Russia and Norway believe it would be more practicable to initially concentrate on investigating aquatic biological resources in the central basin of the Arctic Ocean, and final decisions on how to regulate the preservation of Arctic ecosystems should only be made with hard data at hand.

More specifically, the Russian Federal Fishery Agency suggests using the period of warming for expanding research into the previously icebound areas, as only a systematic survey of biological resources and their trends could help to clearly formulate and reliably substantiate Russia's negotiating position on any multilateral regime to be established for the eastern Arctic Ocean.

One reason for Russia's cautious approach is that the central basin of the Arctic Ocean currently has no resource base for commercially viable fishing. Should the warming continue, high-value commercial species (cod, halibut, pollack, etc.) will take a long time migrating into the area, thus leaving sufficient time of opportunity to agree upon all aspects of conservation and management of aquatic biological resources in the region.

From our viewpoint, positions of the two groups of states, one of them insisting on an early moratorium to rule out unregulated fishing in the central basin of the Arctic Ocean, and the other wishing to initially study its biological resources, are by no means irreconcilable.

A fishing moratorium in the central basin of the Arctic Ocean would not prevent nations from engaging in intensive research there. At the same time, governments would make sure there will be no unregulated fishing in the area. And finalization of the regional fishing management regime would be postponed until the time when systematic research data will become available to inform the interested parties in defining their positions with a view to preserve fish stocks and to sustainably manage the aquatic biological resources in the region.

Arctic states know from experience that preservation of fish stocks, primarily of straddling species, requires to put a ban on unregulated fishing beyond the EEZs. This experience is based on the operation of the multilateral Convention of the conservation and management of pollock resources in the central Bering Sea and the tripartite Russian-Norwegian-Icelandic agreement on the Loop hole of the Barents Sea.

To this end, we consider that a decision on the introduction of a fishing moratorium in the central basin of the Arctic Ocean should not be postponed. At the earliest opportunity practical steps in that direction should be coordinated, primarily with Arctic states, with special focus on regulating research, including joint research, into aquatic biological resources in the region, and fishing for research purposes.

Cooperation with Norway is of special importance for Russian fisheries. In 2011, the aggregate Russian catch under Russian-Norwegian agreements on fishing beyond Russia's EEZ amounted to more than 500,000 tons, i.e. more than a half of the total Russian Arctic harvest. For this reason, the efficiency of the Russian-Norwegian cooperation ultimately determines the efficiency of the entire Russian fishing effort in Arctic seas.

During the past 37 years, the bilateral fishing regulation mechanism built around the Joint Norwegian-Russian Fisheries Commission (JNRFC) established in 1975 has proved its effectiveness in terms of quota distribution and maintenance of sustainable commercial stock of aquatic biological resources.

However, Russian-Norwegian cooperation in fisheries is not free from regularly arising problems. Currently, there are three issues on the fishing agenda between Russia and Norway.

First, **agreeng on fishing rules for the former grey area** delimited in 2010. During the two-year transitional period after the 2010 Agreement came into force, i.e. until July 7, 2013, the parties use it for fishing on previous terms, that is on an equal basis, each country applying its own technical rules.

In 2013 the situation will change, with the temporary use of fishing technical rules coming to end. And there are no new rules so far, which opens an opportunity for Norway to redistribute fishing quotas in the former grey area in its favor proportional to the area repartition.

Second, with the conclusion of the 2010 Agreement the future of the Joint Russian-Norwegian Fisheries Commission became uncertain. The 1975 Agreement establishing the Commission is to remain in effect for 15 years after the 2010 Agreement entered into force (until 2026) and after that date it may be terminated. Regardless of the 1975 Agreement future, the fishing quota coordination mechanism for areas of mutual interests of Russia and Norway should be preserved.

Third, a series of bilateral accords allowed Russia and Norway to regulate fishing in the Spitsbergen(Svalbard) area without prejudice to their respective legal positions as to the lawfulness of the fisheries protection zone established there by Norway. However, regular conflict situations occurred, usually because Russian vessels were fishing in the Spitsbergen area under Russian regulations that differ from Norwegian rules, whereas the Norwegian fishery inspectors demand compliance with all Norwegian requirements and limitations.

Detainment of Russian vessels by Norwegian Coast Guard has become more frequent, with nine cases in 2011, mainly caused by fish discards. According to Norwegian fishery law, all biological resources taken onboard must be brought ashore, whereas discarding the catch or disposing of it onboard is not permitted.

On the contrary, the Russian legislation and the Federal Law No. 166 of December 20, 2004 **On Fisheries and Preservation of Aquatic Biological Resources** as amended in December 2008 requires complete disposal of the catch in research fishing. The contradicting legal requirements significantly hamper implementation of joint Russian-Norwegian programs for research of aquatics biological resources and, consequently, lower the quality of reserves assessment.

The following could be done to address specific fishery management problems between Russia and Norway:

- A uniform fisheries regulation should be established and policies harmonized for fishing control in the entire Barents Sea and adjacent waters, including the fish discard definition.
- Russian research into aquatic biological resources should be stepped up under joint Russian-Norwegian programs.
- Amendments to Federal Law No. 166 of December 20, 2004 On Fisheries and Preservation of Aquatic Biological Resources concerning disposal of catch during research fishing should be abolished.

For Russia, the other key line of bilateral cooperation in Arctic seas is with the U.S.

On the whole, the fisheries cooperation between Russia and the U.S. is characterized by a high-convergence of interests. Due to joint initiative and close interaction, in 1994 the two countries reached a multilateral agreement on the conservation and management of pollock resources in the central Bering Sea area (beyond the exclusive economic zones of the two countries). As a result, ban on pollock fishing in the enclave has been in effect ever since, which has stopped depletion of the resource.

At the same time, preparation of a new Russian-American agreement on conservation and management of aquatic biological resources in the Bering Sea has become unreasonably protracted. On the whole, the negotiations are close to completion, but the complicated regulatory and legal framework for access to aquatic biological resources has caused a delay.

MARITIME SAFETY AND PREVENTION OF MARINE POLLUTION FROM SHIPS

Following the contraction of the Arctic perennial icecap, albeit for a short summer period, many observers today project a dramatic increase of Arctic shipping, the trend that has been quite obvious during the past decade.

As a general rule, the forecasts predict expansion in Arctic tourism, which is growing rapidly in Norway, Greenland and Iceland; increase in the shipment of minerals extracted onshore and, in the future, offshore; potential expansion of fishing areas; development of international (transit) shipping along the Russian Northern Sea Route (NSR) and the Canadian Northwest Passage, and in the longer term, cross-Arctic shipping outside the 200-mile exclusive economic zones of the five coastal states.

However, the impact of more intense shipping in the foreseeable future will not be the same for different areas of the Arctic Ocean. Up until now, this trend has been mainly observed in ice-free zones, and in summer — in the western Arctic seas getting free of ice in that season. Shipping in the Arctic Ocean in a short period of ice-free navigation (from June to September but mainly in August and September) is much more intense than in other months of the year.

Different types of shipping also grow at different rates. Apart from tourism, covering a relatively minor part of the Arctic waters, **the main share of growth in the regional vessels traffic comes from the export of extracted minerals**. This trend is true both for the NSR and the Northwest Passage. As expected, by 2020 the tendency will continue, and international (transit) shipping is unlikely to make any substantial gains here.

Essentially, the only competitive advantage of Arctic routes in connecting the Atlantic and Pacific coasts are shorter distances, which significantly reduces fuel consumption. But the NSR and the Northwest Passage will both retain significant weaknesses for the foreseeable future, that make them uncompetitive versus the existing global shipping lanes. These weaknesses are:

- underdeveloped ports and other infrastructure;
- unpredictable returns on investment needed to build a modern shipping
 infrastructure to be actively used only for a short period, notably during
 two to three months a year;
- extremely harsh weather and ice conditions that prevent accurate calculation of the travel time and just-in-time delivery, a key standard in international commercial shipping;
- high risks of Arctic navigation that deter international insurance companies or make their insurance services unreasonably expensive.

There are some more burdening factors that impede development of international shipping in Arctic routes. In addition to red tape to acquire appropriate permissions for the NSR passage, as well as high tariffs for provision of services, in particular, for icebreaker support, the nature of traffic control on the Canadian and Russian Arctic routes is clearly not conducive to their transformation into international sea lanes in the foreseeable future.

Clearly, in the longer term, if transit vessels traffic in the region continues to expand, the essentially restrictive regimes set by Russia and Canada for Arctic shipping routes will face growing criticism from third parties as excessive in terms of requirements stipulated by the International Maritime Organization.

It is important to bear in mind that the sea navigation rules set for the exclusive economic zones of Russia and Canada do not apply to the central basin of the Arctic Ocean, which for the short summer period becomes increasingly free of ice. Therefore, routes may eventually open up in the high latitudes for **unregulated cross-Arctic shipping**, which will not only compete with navigation on the NSR and the Northwest Passage, but will make the problem of protecting Arctic marine environment from pollution even more urgent.

In 2010, an initiative by Arctic coastal nations prompted the International Maritime Organization to start drafting a mandatory **International Code of Safety for Ships Operating in Polar Waters**. This work is based on recommendatory IMO guidelines establishing requirements for construction and equipment of Polar-class vessels, training of personnel, measures to prevent pollution of the marine environment, etc. The work on the International Code is scheduled by 2015–2016.

Adoption of a mandatory Code meets the interests of the Russian Federation for a number of reasons.

First, incorporating into the International Code of key requirements for ships operating in Arctic waters that are set by individual Arctic states will increase their international acceptance without limiting the right of coastal nations to establish additional rules on the basis of Article 234 of the UN Convention on the Law of the Sea. The IMO Code will neither alter the legal regime of maritime areas in the Arctic Ocean nor infringe upon the sovereign rights and jurisdiction of the Russian Federation and other coastal states.

Second, the work on the Code has clearly demonstrated that in addition to certification of ships for operation in polar waters by the International Maritime Organization, certain (Arctic) states insisted, in addition, on their right to operate the regime to be established by the Code provisions and to enforce the observance of the Code's provisions by vessels operating in Arctic waters under their jurisdiction. The implementation of this requirement will allow them to maintain control over navigation (within reasonable limits) at almost the same level as at present.

Third, adoption of a mandatory International Code for Safety of Ships Operating in Polar Waters will prevent unregulated vessels traffic in the central Arctic Ocean and will consequently minimize the risks of marine pollution from vessels in that area.

SECURITY

For several decades of the Cold War, the Arctic was the midpoint of strategic nuclear confrontation between the USSR, on the one hand, and the U.S. and the NATO countries, on the other. The Arctic was crossed by ballistic missile trajectories. Strategic bomber bases were spread over Alaska, the Kola and Chukotka peninsulas. American attack submarines as well as submarines from France and the UK operated in the Arctic Ocean. The Arctic zone was a platform for air, antisubmarine and anti ballistic missile defense systems (in Russia, the U.S., Canada, Norway, and Greenland). This is also the home of the Russian Northern Fleet, the most capable in the Russian Navy.

This legacy of the Cold War has not yet become a thing of the past. However, the scope of strategic military activity in the Arctic over the past 20 years has significantly declined. And it remains the only type of regular military operations in the region. Reduction of strategic military presence has not been matched by a similar buildup of conventional naval capability of the Arctic states. Aside from Russian and American strategic forces, no other coastal country has deployed combat units or assets capable to carry out long-range cross-Arctic operations.

The main efforts to modernize the Arctic potential of the coastal states today are aimed at building up the capacity **to meet new challenges and threats** resulting from climate change and the development of the Arctic resources.

New themes have now come to the fore, *inter alia* maritime safety, oil pollution prevention and preparedness across the crude-oil value chain, and risks of cross-border crime.

Meeting these challenges requires strengthening of icebreaker fleets of coastal nations, modernization of Coast Guard services, and implementation of state-of-the-art situational awareness capability including space-based surveillance systems. Most if not all of these problems are easier to solve through bilateral and multilateral cooperation in the region.

Arctic countries today are:

- building their surveillance capabilities in the region, including limited naval and air patrols in the Arctic;
- augmenting their emergency response capacities; and to this end;
- conducting appropriate personnel training.

Cooperation of the Arctic states to address common security challenges in the region is gaining ground.

In 2008 the member states of the BEAC signed an intergovernmental Agreement on Cooperation in the Field of Emergency Prevention, Preparedness and Response and regularly conduct joint exercises. In May 2011 the Arctic Council Agreement on Cooperation on Aeronautical and Maritime Search and Rescue (SAR) in the Arctic was signed. The Agreement provided for the delimitation of the search and rescue regions of the members of the Council. In 2011 it was decided to draft an Arctic Council Agreement in the field of marine oil pollution preparedness and response in the Arctic.

In 2011 and 2012, under the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic the countries of the Arctic Council conducted a command-post exercise in Canada and a live exercise in Greenland. The latter involved five members of the Arctic Council (Denmark, Iceland, Canada, Norway and the U.S.), with Russia represented by an observer.

Joint exercises under the 2008 BEAC Agreement have become routine. In recent years, bilateral Russian-Norwegian naval emergency-response Pomor exercise and Russian-American-Norwegian Northern Eagle naval exercise were held. Joint seminars and conferences are organized regularly.

A better security collaboration of the Arctic states would benefit from:

- a continued and expanded **military cooperation**, **including joint naval exercises** between Russia and Norway, as well as between Russia, Norway, and the United States, to be extended to other countries;
- raising a possibility of prior notification of and inviting observers and
 eventually participants from all Arctic states to all the international
 naval exercises in the region (in Canada, Norway, Russia and Alaska);
- an enhanced Arctic Council cooperation in the **search and rescue**; and to this end, it seems appropriate to:
- increase participation of the Russian Emergencies Ministry (EMERCOM) in search-and-rescue exercises held by other Arctic states;
- under the 2011 Agreement, schedule in the next few years a first joint Arctic Council exercise in Russia, to demonstrate organization and operations of the EMERCOM integrated search-and-rescue centers, that are now under development;
- adopt the Norwegian initiative of setting up joint rescue coordination centers of the Arctic nations, with one center to be established on Spitsbergen.

SOVEREIGN RIGHTS AND NATIONAL JURISDICTIONS OF ARCTIC STATES

The boundaries of the sovereign rights and jurisdiction of coastal states in the Arctic Ocean (Denmark with respect to Greenland, Canada, Norway, Russia, and the U.S.) are defined in accordance with the international law of the sea, and primarily the 1982 United Nations Convention on the Law of the Sea.

Extension of coastal States' exclusive economic zones from 12 to 200 nautical miles in the last quarter of the twentieth century let to overlapping of their zones. Practically all the Arctic coastal states were confronted with the need to agree on **the delimitation of their maritime boundaries and continental shelf**. Today, most of issues concerning the delimitation of maritime boundaries and the shelf are settled through bilateral agreements.

In this respect, Russia's position seems quite favorable: Russia has no disputes with its neighbors on maritime delimitation in the Arctic.

In 1990 the Soviet Union signed an agreement on the delimitation of maritime boundaries with the U.S. It was ratified by the U.S. Senate, but not yet by the Russian parliament, although it is applied on a temporary basis. However, the maritime boundary as such is not questioned by Russia. To put an end to this unresolved situation and make the U.S.-Russia maritime boundary final and legally binding, **the 1990 Agreement should be ratified**.

In September 2010 Russia and Norway completed a long process of maritime delimitation in the Barents Sea in the Arctic Ocean.

Neither the sovereign rights of the Arctic states on the continental shelf, nor their jurisdictions in the 200-mile exclusive economic zones are disputed by any third party.

Since the boundaries of the sovereign rights and jurisdiction of the coastal states in the 200-mile zones in the Arctic Ocean are clearly marked, the problem of "dividing" Arctic resources does not exist. The coastal shelf area appears to be the most promising for exploration and exploitation of hydrocarbon resources

of the Arctic Ocean. This is an area located within exclusive economic zones where coastal states exercise undisputed sovereign rights to explore and develop seabed and submarine subsoil resources. The rights of the Russian Federation in this respect are not disputed either.

In recent years, the main emotions were **triggered by the discussion of the extention of the outer limits of the Arctic shelf by the coastal states beyond their exclusive economic zones**. The right to do so is enshrined in Article 76 of the UN Convention on the Law of the Sea. The Convention establishes the procedures for implementing this right and for settling possible counterclaims of other countries.

However, this is a very lengthy and multi-staged process. It is not about a claim race. On the contrary, all coastal states vying to expand of their Arctic continental shelf limits have no other option but to work closely together.

In the first instance, countries need to collect evidence to support their claims. Russia, Denmark and Canada today focus on gathering geological and morphological data to prove that the Lomonosov Ridge is a natural component (prolongation) of their continental margin. This would enable them to maximize their claims.

The second stage when the coastal countries' claims are submitted to the Commission on the Limits of the Continental Shelf will inevitably be protracted as the Commission operates under strain. When faced with overlapping submissions, the Commission may take even more time considering the claims, as it does not make recommendations on shelf delimitation. It is for the states concerned to mend their differences.

According to the Commission rules, any coastal state can stall the consideration of another country's submission on the strength of an existing or potential overlapping shelf delimitation claim. Judging by the response of all Arctic states to the Russian submission of 2001, they will most probably refrain from stalling the consideration process. However, some of them are likely to notify the Commission that no of its recommendations would prejudice the delineation of the limits of the continental shelf until the delimitation process is completed.

In any case, the final establishment of the outer limits of the Russian continental shelf will not be possible until the examination of submissions from other coastal states is completed. Denmark and Canada are expected to present theirs in 2013 and 2014. Most likely, at that time they will only submit preliminary materials while collecting further evidence. The United States may also make its submission, but not before it ratifies the UN Convention on the Law of the Sea. After joining the Convention the U.S. will have ten years to work on its submission.

Crucial to the final solution will be the Commission's acceptance of the evidence, submitted by the coastal states, and how the Commission will qualify the

Lomonosov Ridge: as a natural component of the continental margin of one or more states, as a submarine or an oceanic ridge. **Depending on the Commission's findings, there may or may not be a need for additional shelf delimitation among Arctic states**.

If the question of delimitation arises, it will have to be settled in a third stage between Russia, Canada, and Denmark, and, at a later stage, eventually also between the U.S. and Canada. Between Russia and the U.S., the delimitation formula is defined by 1990 Agreement, which is another argument in favor of its ratification. Shelf delimitation formula is agreed in principle between Canada Denmark (with respect to Greenland).

It is to be assumed that under any scenario of delineating and delimiting the outer limits of the Arctic continental shelf, some areas of deep ocean floor will not be subject to sovereign rights of coastal states, and in accordance with the 1982 Convention these areas will fall under the definition of the common heritage of mankind and the issue will boil down to their number and size of such areas.

Generally speaking, the progress that can be achieved in the foreseeable future is for Russia to submit additional evidence to the Commission and to ratify the 1990 Agreement with the United States. By mid-decade Canada and Denmark are likely to determine basic parameters of their claims. But more likely than not, the consideration of coastal states' submissions will take us beyond the 2020 time horizon.

DIALOGUE WITH INTERESTED NON-ARCTIC STATES

In early 2013, the Arctic Council will discuss granting a permanent observer status to long-time aspirants, i.e. Italy, China, Korea, Japan and the European Union³. In May, foreign ministers of the Arctic Eight will take the final decision on the issue on the basis of criteria agreed upon in 2011.

In making this decision, it is important to take in to consideration a number of factors.

<u>First</u>, all coastal states take for granted **their sovereign rights and jurisdiction in Arctic waters and on the shelf**. This accounts for their wish to discuss and coordinate policy issues affecting their exclusive rights and obligations in private. In particular, these issues include delineation and delimitation of the outer limits of the continental shelf.

As noted above, this wish is granted: no non-Arctic country questions the sovereign rights and jurisdictions of the Arctic states over their shelf or exclusive economic zones. There is no reason to believe that they will dispute the outcome of the continental shelf delineation and delimitation beyond the 200 miles zones provided the delineation is completed in strict compliance with the requirements of Article 76 of the 1982 Convention.

<u>Second</u>, there is no room for the discussion whether non-Arctic states should or should not be allowed into the Arctic. **Participation of non-Arctic countries in the development of the region today is not a hypothetical proposition, but a reality**. Here are just a few examples.

The Indian Tata Steel Group is planning to develop ore deposits in the Canadian Arctic, expecting to meet up to 80 percent of its requirements for raw materials in Europe from this particular source.

 $^{^{\}rm 3}$ Six states already enjoy the status of permanent observers in the Arctic Council: France, Germany, the Netherlands, Poland, Spain and the UK.

Japan has established a group to study feasibility of Northern Sea Route shipping and plans to launch a weather satellite to monitor ice conditions on the NSR lanes.

The Italian energy company ENI is a part of Rosneft in oil and gas exploration at three offshore fields in the Barents Sea. The Royal Dutch Shell has started, although unsuccessfully, exploratory drilling on the Alaska shelf in the Chukchi Sea. South Korean firms work together with Russian companies for the construction of modern LNG carriers for Russia.

Institutes from Germany, China, Japan, Italy, Austria and many other countries form an integral part of extensive scientific research effort in the Arctic seas and onshore, including in Russian Arctic Zone.

This list is quite long. But it is important to bear in mind that non-Arctic countries, while respecting the sovereign rights and jurisdiction of the coastal states, do not wave their own rights under the international law of the sea.

And third, neither the coastal states nor the Arctic Council nor any other regional organization have a monopoly on the Arctic.

The competence of regional organizations of Arctic states has its limits. There is and there will be no comprehensive regional regulation and governance regime in the Arctic. Different areas of activities here are governed by a variety international instruments and institutions.

Thus, the legal regimes of the Arctic maritime areas are governed by the international law of the sea, and primarily by the United Nations Convention on the Law of the Sea. Provisions of many environmental conventions apply to the Arctic. Generally accepted standards of maritime safety and protection of marine environment from pollution are the responsibility of the IMO. Air traffic is regulated by the rules of ICAO. Issues relating to fisheries are governed by the 1982 Convention and the 1995 Agreement for the implementation of its provisions relating to the conservation and management of straddling and highly migratory fish stocks.

The Arctic Council cannot and does not seek to interfere with core competences of other international organizations, and does not pretend, for example, to regulate fisheries or navigation rules in the Arctic. Non-Arctic states are involved in discussions on these issues in respective organizations, one way or another.

For this reason, any attempt to isolate non-Arctic countries from handling the matters of the Arctic agenda beyond the scope of coastal states' exclusive rights may prove counterproductive since the discussion of the issues will be transferred to international organizations with wider representation. Besides, in certain cases attempts to keep non-Arctic states out of regional discussions may provoke their unilateral actions to promote their interests. Both these developments would lead to a detrimental weakening of the Arctic Council.

Engaging interested non-Arctic states in discussing the regional agenda in an inclusive way seems to be more constructive. It would help to find joint and cooperative solutions that acknowledge legitimate interests of all.

In this regard, it is not only reasonable, but extremely important **to more actively engage with interested non-Arctic states in a dialogue** in various international *fora*:

- in the IMO on maritime safety and protection of the Arctic waters from pollution from ships;
- in an appropriate format to be agreed upon on the fisheries moratorium in the central basin of the Arctic Ocean; and
- in the Arctic Council on matters within its scope of competence.

To this end, it seems logical to recommend granting a permanent observer status in the Arctic Council to all states and organizations that have long been aspiring for it and contributed, in a cooperative way, to the development of the Arctic.

CONCLUSIONS AND RECOMMENDATIONS

Climate change in the Arctic, both observed and expected in the foreseeable future, is generating expectations of increased economic activity in the region. They are based on the development prospects of its energy and mineral resources, including those of the continental shelf, more intense and prolonged navigation, as well as expansion of fishing areas.

There also are growing expectations as regards the development of the Arctic areas in Russia. The Russian Arctic Zone is regarded a strategic resource base of the country for the future to come. In the course of further development, the Russian Arctic will increasingly be involved in international cooperation and integrate into the global economy.

Economic activity in the Arctic is expanding in the absence of disputes over the limits of the sovereign rights and jurisdictions of coastal states. The only significant issue that remains open is the delineation and the delimitation of the outer limits of the continental shelf of a number of coastal states beyond their exclusive economic zones. It is a long-term issue that requires close cooperation between Arctic countries.

Regardless of how the issue is tackled, the delimitation of the outer limits of the Arctic shelf will not generate any disputes or conflict for access to the natural resources of the shelf, most of which are within the undisputed exclusive economic zones of coastal states.

At the same time, all Arctic states do face mounting challenges and problems. The most urgent of them are generated by the need to:

- preserve the unique nature and biological diversity of the Arctic ecosystems;
- prevent the emergence of an area of unregulated fishing in the central basin of the Arctic Ocean;
- ensure high standards of maritime safety and protection of marine environment from pollution;

- strengthen the capabilities for responding to emergencies, natural and man-made disasters individually or collectively;
- develop a cooperative framework for providing the balance of rights, responsibilities and interests of Arctic and non-Arctic states.

To this end, the following steps deserve consideration:

- 1. to establish and regularly convene an international Arctic Business Forum;
- 2. to ratify the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention);
- 3. to coordinate with Arctic states practical steps towards the introduction of an early **moratorium on fishing in the central basin of the Arctic Ocean** and towards regulating research (including joint research) of aquatic biological resources in the basin;
- 4. building on already accomplished comparative research, to initiate **a comprehensive review of the legislation** of Arctic states in the areas of environmental protection, regulation of vessels traffic and fisheries, with a view to their potential harmonization;
- 5. to complete, within the agreed timeframe, the negotiation of an Arctic Council agreement on **marine oil pollution preparedness and response** in the Arctic;
- 6. Under the 2011 Arctic Council Agreement on Cooperation in Aeronautical and Maritime Search and Rescue in the Arctic, to schedule a joint full scale live exercise in waters under the jurisdiction of the Russian Federation;
- 7. to discuss with neighboring Arctic states establishment of **joint emergency rescue centers** under the 2011 Agreement, one of them to be located on Spitsbergen (Svalbard);
- 8. to initiate discussions among Arctic nations on prior notification, and invitation of observers (and potentially, participants) from all Arctic countries to all **international naval exercises** in the region;
- 9. under the IMO auspices, to complete work on the mandatory International **Code of Safety for Ships Operating in Polar Waters** within the approved timeframe (2015–2016);
- 10. to ratify the **1990 maritime boundaries delimitation Agreement with the U.S.**;
 - 11. to expedite the negotiation of the **U.S. Russia fisheries agreement**;
- 12. to settle unresolved fishing issues with Norway, with a view inter alia to establishing **uniform measures regulating fisheries in the entire Barents Sea** and adjacent waters;
- 13. to step up **the dialogue with interested non-Arctic states** in various international fora:
 - in the IMO on maritime safety issues and the protection of the Arctic waters from pollution from ships;

- in an appropriate format to be agreed upon on introducing a moratorium on all fishing in the central basin of the Arctic Ocean; and
- in the Arctic Council on matters within its scope of competence;

14. to continue providing further evidence in support of **the Russian claim for continental shelf outer limits** in the Arctic Ocean extending beyond its Exclusive Economic Zone, bearing in mind that any final settlement will likely come in stages, take time and require close engagement with other Arctic coastal states.

Russian International Affairs Council