



The Arctic and Canada's Foreign Policy



**Report and Recommendations
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Preface

The Walter and Duncan Gordon Foundation ("Foundation") has for many years sponsored and supported activities in northern Canada. The goal of the foundation's northern granting programme is:

"To support research and education projects that increase Northern peoples' ability to participate in and help shape public policy."

To achieve this goal the Foundation supports projects that address modern treaties and governance, sustainable communities, and the circumpolar world. In the 1990s, the Foundation assisted northern organizations to develop and promote the concept of an Arctic Council in which northerners and aboriginal peoples would have a significant role and the establishment of an ambassador to the circumpolar Arctic. The objective was to promote intergovernmental co-operation and to ensure that Canada's action in the circumpolar world would be informed by priorities defined by northerners. As well, the Foundation supported northern involvement in the process that led to the formal adoption in 2000 by the Government of Canada of the Northern Dimension to Canada's Foreign Policy (NDFP).

In May 2006 the Foundation discussed with Dr. Terry Fenge and Mr. Bernard Funston—consultants with many years of northern and international experience—the utility of a project to renew Canada's commitment to a northern dimension to its foreign policy. Out of these discussions grew a project to bring together Arctic Indigenous Peoples, the territorial governments, policy practitioners, academics, industry, and others in a workshop to develop practical recommendations to help the Government of Canada upgrade and update its foreign policy commitment to the North. Dr. Fenge and Mr. Funston were contracted to organize the workshop, to prepare a background paper* to stimulate discussion, and to develop a report with recommendations based on the views of workshop participants. The intent was to provide the Government of Canada with short term advice in preparation for the October 26, 2006 Arctic Council Ministerial Meeting in Salekhard, Russia, and longer term advice regarding policy priorities for a renewed northern dimension of Canada's foreign policy.

The workshop on the northern dimension of Canada's foreign policy was held in Ottawa on October 4 and 5, 2006 in the boardroom of the National Round Table on the Environment and the Economy. So as to promote open and frank debate, the workshop was conducted under the Chatham House Rule**. The agenda of the workshop is in appendix one and participants are listed in appendix two to this report.

* This discussion paper is available from the Walter and Duncan Gordon Foundation.

**The Chatham House Rule reads as follows: "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed".

Background

The Northern Dimension of Canada's Foreign Policy (NDFP)

Building upon the recommendations of a 1997 report of the House of Commons Standing Committee on Foreign Affairs, and following consultation with northerners, the Government of Canada released in June 2000 the Northern Dimension of Canada's Foreign Policy (NDFP). This policy adopted three framing principles:

1. meeting our commitments and taking a leadership role;
2. establishing partnerships within and beyond government; and
3. engaging in ongoing dialogue with Canadians, especially northerners.

In addition, the policy adopted 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.

Four priority areas for action were specified: strengthening and promoting the place of the Arctic Council in circumpolar relations and policy co-ordination; helping to establish a University of the Arctic and promoting a Canadian and circumpolar policy research network; expanding opportunities to assist Russia through bilateral and circumpolar initiatives; and promoting sustainable economic opportunities and trade across the circumpolar region. A European Union component to the NDFP was added after the policy was approved by Cabinet. Two million dollars per year was budgeted to the NDFP.

While promising that Canada's Ambassador for Circumpolar Affairs would continue to consult with civil society in Canada and the circumpolar world, the 19-page policy paper did not address how agencies of the Government of Canada would be coordinated to achieve the policy's objectives. Nor did it speak of the potential role of territorial governments. This was a surprising omission; northern and aboriginal expertise within the Government of Canada is not housed in DFAIT, and the department has very limited technical knowledge on the environment—a key interest of the Arctic Council.

On the other hand, the policy speaks of the need to incorporate the values and objectives of northern Aboriginal peoples and all northerners in policy implementation. As far back as 1991, Canada effectively supported the inclusion of Arctic indigenous peoples in the Arctic Environmental Protection Strategy, and championed inclusion of their organizations as “permanent participants” in the Arctic Council. Funds have been provided to the Arctic Athabaskan Council, the Gwich’in Council International and the Inuit Circumpolar Conference-Canada (now called the Inuit Circumpolar Council-Canada) to participate in the Arctic Council. The 2000 NDFP continued this supportive tradition.

Canada's International Policy Statement 2005

In 2005 the Government of Canada's *International Policy Statement - A Role of Pride and Influence in the World* articulated a vision for Canada's global engagement. This was billed as Canada's first comprehensive, integrated international policy framework, and claimed to deliver on the Government's commitment to invest in Canada's international role. In the *Overview* document it was noted that the demands of security and sovereignty for Canada are pressing because of the predicted changes to Canada's North over the next two decades:

In addition to growing economic activity in the Arctic region, the effects of climate change are expected to open up our Arctic waters to commercial traffic by as early as 2015. These developments reinforce the need for Canada to monitor and control events in its sovereign territory, through new funding and new tools. [Source: *Overview Canada's International Policy Statement--A Role of Pride and Influence in the World*, 2005, p.3]

The rationale in this policy statement for more focus on Canada's northern dimension are succinctly summarized: “...increased security threats, a changed distribution of global power, challenges to existing international institutions, and transformation of the global economy.”

The Five-Year Evaluation of the NDFP

An evaluation of the NDFP by consultants to the Inspector General of the Department of Foreign Affairs and International Trade (DFAIT) was completed in May 2005 based on a review of files and 94 interviews with federal and territorial government personnel, aboriginal peoples and third parties with northern interests. In order to include the department's response, the evaluation was only made public in summer 2006. Key findings of the evaluation include:

1. A northern dimension to its foreign policy is both “necessary and relevant for Canada;”
2. The two foreign policy issues of “central concern” to northerners are “environment and sovereignty;”

3. The Arctic Council is seen as the “centre-piece” for advancing Canada’s foreign policy interests in the Arctic. Canada plays a “key role” through participation in the Council’s working groups and by funding the Canadian-based Permanent Participants;
4. Increased support is needed to all three Canadian-based Permanent Participants, but most obviously to the Arctic Athabaskan Council and the Gwich’in Council International;
5. There is a need for “firmer policy direction, stronger diplomatic efforts and an enhanced role for the Ambassador of Circumpolar Affairs,” and stronger partnerships between DFAIT and other departments;
6. It is questionable whether DFAIT should continue to financially support the University of the Arctic;
7. Little evidence is found of “significant progress” in “working with Russia to address northern challenges.” The NDFP is criticized for supporting too many projects which dissipate its resources;
8. Activities supporting sustainable economic development and trade were “inconsistently linked to the NDFP and outcome rather than results oriented;”
9. “Some progress” had been made on northern co-operation with the European Union; and
10. Little evidence is found of effective engagement of Canadians, especially northerners and Indigenous groups in ongoing [circumpolar] policy dialogue.

Within the context of general support for the objectives of the NDFP the evaluation recommended:

1. Focus on fewer initiatives. A renewed NDFP should focus on “support for the Permanent Participants in the Arctic Council, strategic bilateral and multilateral initiatives, and the development of policy positions and advocacy, as well as protection of the environment and ensuring Canadian sovereignty;
2. Strengthen DFAIT and Canadian leadership in circumpolar affairs. This implies greater integration and involvement on the part of DFAIT senior management committee and the Minister’s office, heads of missions, and the Ambassador for Circumpolar Affairs, with the Circumpolar Affairs Division of DFAIT playing a key policy research, development and advisory role;
3. Strengthen partnerships with other federal departments and agencies, territorial governments and land claims groups. “With the new domestic Northern Strategy, increasing emphasis on horizontal and whole-of-government solutions and the continuing devolution of governance in the North, it is crucial that DFAIT work closely with the full range of partners to achieve Canada’s aims respecting circumpolar issues;”

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4. Strengthen initiatives to engage Canadians, especially northerners and indigenous groups;
 5. Continue to improve program management systems and procedures including a results-based management and accountability framework.

Recommendations three, four, and five were put in the context of the Government of Canada's foreign policy statement—*A Role of Pride and Influence in the World*—and a domestic northern strategy that in early 2005 seemed imminent but was not finalized before the January 2006 federal election. DFAIT generally agreed with the evaluation and responded by reaffirming the importance of the NDFP.

The Arctic's Growing Global Importance

Foreign policy is important to the North—the three territories and the northern portions of certain provinces—because what happens outside Canada's borders increasingly has an impact on the lives of northerners, particularly aboriginal northerners. The 2005 Arctic Climate Impact Assessment (ACIA) projects very significant changes to the Arctic in coming years as a result of global emissions of greenhouse gases with widespread environmental, social, cultural and economic effects. Climate change is projected to ease access to and promote development of hydrocarbon and mineral resources in the North; an important prospect given that 25 percent of the world's remaining hydrocarbons are thought to be located in the circumpolar world. Some observers even foresee the day when the Northwest Passage will be used by general cargo vessels, reducing shipping times and costs between Asia and western Europe, and raising sovereignty and regulatory concerns. The Canadian North is being rapidly integrated into the world at large. Globalization is reaching into the North.

Canada has an active foreign policy and a commitment to engage the world as befits an immigrant-rich, free-trading country that occupies half a continent, borders three oceans and is adjacent to the United States of America, the globe's superpower. But until recently the Canadian North—frozen in the confrontation between east and west—featured hardly at all in Canada's foreign policy. The North may be huge but it is thinly populated and sends only a handful of elected representatives to the Parliament of Canada. Canada is often portrayed as a northern country, but our population is crowded close to the border with the United States. We naturally look south not north.

The rural North is home to Inuit, Dene, Metis and many First Nations whose values, goals and relationships with the natural environment are rather different from those of Canadians in, say, Toronto or Montreal or other urban centres. Reflecting the significant number of recent immigrants to Canada, a prize-winning author recently characterized Canada as a "hotel"—a comfortable place which accommodates temporary guests. This may be an accurate, even revealing, metaphor in southern Canada but it is entirely inappropriate in the context of the North where aboriginal peoples maintain age-old cultures and economies. To these peoples Canada is and always has been home. Can Canada's foreign policy accommodate and reflect the values inherent in both metaphors? What should be the northern dimension of Canada's foreign policy? How should northerners—aboriginal and non-aboriginal alike—participate in developing and implementing such a policy? These are hardly new questions but they are assuming real urgency as a result of the pronounced impacts in high latitudes of global climate change.

The collapse of the Soviet Union first opened the door to a more creative, innovative and broader northern dimension to Canada's foreign policy. Speaking in Leningrad in 1989, Prime Minister Mulroney proposed an Arctic Council to enable Arctic states to co-operatively address shared issues. Responding to Finland's initiative, Canada participated very actively in negotiation of the circumpolar Arctic Environmental Protection Strategy (AEPS), which came into effect in 1991.

Three Indigenous peoples organizations—Inuit Circumpolar Conference, Saami Council and the Russian Association of Indigenous Peoples of the North—were admitted to biennial AEPS ministerial meetings beginning in 1993. Canada helped to engineer their involvement.

With the support of the Walter and Duncan Gordon Foundation a panel of northerners pressed Canada in the early 1990s to champion the Arctic Council concept with a view to situating sustainable development as well as environmental protection at the heart of the circumpolar agenda, to bring ministers of foreign affairs as well as departments of environment to the table, and to increase the status and involvement of northerners in circumpolar decision-making. Canada appointed an Arctic Ambassador in 1994 to promote the council concept. The Arctic Council was established as a "high level forum" through a political declaration signed in Ottawa in September 1996 and included Indigenous peoples as "permanent participants".* The Council was a significant foreign policy achievement for the Government of Canada.

To make good use of the Arctic Council, and following extensive consultation with northerners, the federal Cabinet approved a Northern Dimension to Canada's Foreign Policy in 2000, including modest funding for Canadian-based Permanent Participants. The Council has had some important successes, for example, it completed an assessment in 1998 of transboundary contaminants in the Arctic that was instrumental in persuading states to negotiate the global convention on Persistent Organic Pollutants (POPs). Initiated in 2000, endorsed by Arctic Council ministers in 2004 and published in 2005, the Arctic Climate Impact Assessment (ACIA) generated comment worldwide and continues to have a significant impact in Conferences of the Parties to the UN Framework Convention on Climate Change.

Acknowledging the changing significance of the Arctic, the United Nations Environment Programme (UNEP) adopted a resolution in February 2003 that noted the "increasing global importance of the Arctic in a global environmental context." Importantly, this resolution said the Arctic would provide an "early warning" on globally important environmental issues. Effectively, the Arctic is seen as the globe's "barometer," particularly in relation to the impacts and effects of climate change.

* The current Permanent Participants are: Aleut International Association, Arctic Athabaskan Council, Gwich'in Council International, Inuit Circumpolar Council, Russian Association of Indigenous Peoples of the North, and the Saami Council.

In the wake of the ACIA and in light of the growing economic importance of the Arctic nationally and internationally, it is time to re-evaluate, reform, renew, and re-energize Canada's foreign policy as it relates to the North. Once treated as a "boutique" arena, northern foreign policy should now command serious and co-ordinated mainstream attention from key agencies of the Government of Canada. It is vital that Canada bring to bear its full intellectual and political resources to inform and implement a strategic, long-term foreign policy that fully includes the North, and serves the interests of both Canada's north and south. This was the challenge that prompted the Walter and Duncan Gordon Foundation to sponsor a workshop on Canada's Foreign Policy and the North in October 2006. This report is the product of that discussion.

There is a growing, if still preliminary, sense among academics, think tanks, and governmental and non-governmental organizations in Canada that the Arctic will be a critical component of Canada's place in the world in the 21st century.

A renewed northern dimension of Canada's foreign policy, that reflects the growing importance of the Arctic internationally, is supported by:

- ◆ the openness of the Government of Canada elected in January 2006 to creative policy thinking and a commitment to policy implementation;
- ◆ the commitment of the Prime Minister to assertion of Canada's Arctic sovereignty and renewal of the presence in the Arctic of Canada's armed services;
- ◆ the growing desire of the territorial governments to address national and international policy as it affects the interests and well-being of territorial residents;
- ◆ the growing interest of Arctic indigenous peoples to defend their rights, including those defined in comprehensive land claims and self-government agreements, through international action;
- ◆ the imminence of the International Polar Year—2007-2009 which will see scientists from more than 60 countries working in the circumpolar Arctic;
- ◆ the assessment being conducted by the Arctic Council, to be completed in 2008, into future Arctic marine shipping which has implications for a range of Canadian interests, including sovereignty, offshore management, and delimitation of maritime boundaries;
- ◆ the assessment being conducted by the Arctic Council, to be completed in 2010, of the state of health of Arctic biodiversity which is intended as a contribution to the global goal of significantly reducing the loss of biodiversity by 2010; and
- ◆ the recently-released consultants' report on the implementation of the NDFP, which recommended, *inter alia*, significant upgrading of the NDFP and greater consultation with northerners.

A Note on the Workshop Process

The agenda for the Foundation's workshop in October 2006 was designed to enable participants to make general observations, comments and suggestions on broad themes, with the aid of the discussion paper as a starting point. The discussion paper outlined four geopolitical scenarios each reflecting the growing global importance of the Arctic as a source of energy and minerals, and projecting to a time when industrial areas in Asia, North America and Europe may be connected via shipping through the Arctic. These scenarios are not predictions of the future and neither are they mutually exclusive. Their purpose was to encourage participants to think strategically and in the long-term about Canada's evolving northern interests, and to do so in recognition of the changing place of the Arctic in the world. The four scenarios were:

1. China and India Rising: An Appetite for Arctic Resources;
2. Fortress North America in a Uni-Polar World;
3. A Multi-Polar World; and
4. A Worst Case Climate Change Scenario.

Participants were invited initially to make general comments and suggestions, and then to speak in analytical and recommendatory terms, where appropriate, in the context of the scenarios.

What Was Said: A Thematic Summary of the Workshop

1. The North Has a Role in Canada's Foreign Policy

What do we mean by the North or the Arctic? Participants acknowledged there is no single definition and agreed that the region is diverse not homogenous. It was agreed, however, that a northern dimension to Canada's foreign policy should consider both the territories and northern portions of certain provinces. While northerners generally are more focussed on local and regional issues and perspectives, than international events, it was broadly appreciated that many drivers of local and regional change are related to international factors including climate change, long-range transport of contaminants, management of migratory species of animals, and world prices for oil, gas and minerals. The North is not immune from "globalization."

International events were seen to be of growing importance to the well-being of northerners. Canadian positions in international fora have local impacts but few northerners know what Canada is saying and doing internationally to reflect their interests. This has to change. Some participants believed that a relative "policy vacuum" exists in relation to some important aspects of the northern dimension to Canada's foreign policy and this necessitates the North "taking control of its destiny" by exercising foreign policy leadership. Others remarked upon the pre-eminent role of the Government of Canada in foreign policy and the need for a partnership between the North and the Government of Canada. It was noted that sub-national governments and aboriginal peoples in the circumpolar Arctic already have strong and effective relationships, and circumpolar organizations in which northerners participate have been established to address health, environment, education, research, cultural, economic and many other issues. Possible actions include:

- ◆ Use the Northern Co-operation Accord (2003) between the three territorial governments as a basis for a wider partnership among Northern stakeholders, including aboriginal peoples and the Government of Canada, to address circumpolar and foreign policy issues of concern to the North;
- ◆ Canada should think about the northern dimension to its foreign policy in terms of the relationships between sub-national governments and organizations, not solely national governments. It is important to appreciate that Inuit, Gwich'in, and Athabaskans occupy homelands in more than one country and this requires Canada to think and act more cohesively about co-operation across international borders; and
- ◆ Northerners could "take back" ownership of the Arctic ambassador position in the Government of Canada. This could mean helping to define the ambassador's mandate and priorities, and reporting relationship.

2. Canada Must Pay Attention to the Northern Dimension of its Foreign Policy

The North is no longer isolated physically or psychologically. Economic, social, and environmental events and processes in this region are becoming increasingly significant for Canada, nationally and internationally. Connections need to be drawn between local, regional, national and international issues. There is a clear and compelling need for cogent, consistent, immediate, and ongoing attention by the Government of Canada to the rapidly growing importance of the Arctic. Canada should rededicate itself to northern policy thinking, “retool” and increase its ability to analyze the impacts in the North of global events and trends, and *vice versa*. The northern dimension to Canada’s foreign policy should be reformulated to reflect the growing importance of the Arctic internationally. Possible actions include:

- ◆ Prepare a comprehensive “State of the Canadian North” report, building on assessments prepared by the Arctic Council, and domestic initiatives such as the 1996 and 2003 Canadian Arctic Contaminants Assessment Reports; and
- ◆ Prepare an analysis of the international challenges facing Canada’s North to inform strategic policy and programme development and implementation.

3. Climate Change is a Crisis for the North

Having noted that the Government of Canada is good at handling routine and crisis issues but poor at addressing things in between, including northern policy, it was suggested that northern Canada is in a “crisis” as a result of global climate change. The reality of this crisis needs to be clearly articulated in Ottawa and nationally to prompt action. “Standard operating procedures” can no longer suffice. Northerners are seeing the impacts of climate change detailed in the Arctic Climate Impact Assessment. Climate change is becoming a key driver of social, economic and cultural change in the North, for both good and ill.

The magnitude of climate change, and the sense that nothing can be done about it, “disempowers” some people and “creates apathy.” As a “shared crisis,” some thought that climate change could “bring the north together” in the search for appropriate responses and adaptation strategies. Others suggested that the Government of Canada seems to “support things that respond to the crisis without recognizing the crisis itself.” Climate change is altering the wildlife harvesting economy of aboriginal peoples and undercutting the exercise of wildlife harvesting rights guaranteed in land claims and self-government agreements. Climate change needs to be addressed in the north in the context of implementation of these agreements.

There was broad agreement that the impacts and effects of climate change in the North is now *the* context in which all manner of domestic public policies, from the local to the federal, are being formulated and implemented. This realization needs to inform completion of the Northern Strategy/Northern Vision process initiated by the Government of Canada in December 2004. There was broad agreement that the Government of Canada needs to work with northerners to promote adaptation policies and programmes, perhaps modelled on the Northern Contaminants Programme. Municipal infrastructure is already being impacted by climate change and the costs of replacing and renewing it are unknown. A survey of northern infrastructure at risk would be timely. There was general agreement that governments need to “retool” to address the impacts and effects of climate change. Possible actions include:

- ◆ Complete the Northern Strategy/Northern Vision process and ensure that a key component of the strategy responds to the impacts and effects of climate change and the international dimensions of this issue; and
- ◆ Bring together the territorial governments, Arctic indigenous peoples and federal agencies to develop and implement a climate change impacts and adaptation strategy modelled on the structure of the Northern Contaminants Programme.

4. The Northern Dimension to Canada’s Foreign Policy Must Have a Human Focus

Canada was a leader in promoting international awareness of the human dimension of the Arctic in international fora, particularly the Arctic Council, but there was a perception that this focus and commitment has decreased in recent years. Many northerners are in crisis as a result of suicide, substance abuse, sexual abuse and mental illness. Addressing these issues is critical if Canadians are to build the capacity of the North to be successfully involved in national and international policy initiatives. Canada should renew its commitment to take practical and achievable initiatives internationally that can support sustainable communities in the North and provide economic and educational opportunities for youth, in particular. Canada was a leader in the establishment of the University of the Arctic but this initiative is floundering and needs additional effort and support by Canada and other Arctic countries. Canada’s commitment to the University of the Arctic, to regional colleges in each of the three territories, and to developing post-secondary infrastructure in the North is urgent in light of the very significant percentage of the population that is under 25 years of age.

Some participants felt that the heavy fiscal dependence of the North on Ottawa was a disincentive to initiative and independent thinking from northern organizations. Proceeding with devolution to the territories of provincial-type responsibilities exercised by Ottawa and revenue resource sharing were seen as vehicles to lessen the fiscal dependence of the North on Ottawa and to increase the capacity and confidence of the North to be engaged in national and international issues. Possible actions include:

- ◆ Focus on the human dimension as a critical element of all foreign policy initiatives in relation to the Arctic. In this regard Canada should carefully assess the findings of the Arctic Council's *Arctic Human Development Report* (2004) and should plan and implement practical follow-up activities.
- ◆ Give northerners a stake in their future. Capacity building for youth in particular is required. In the foreign policy context this could be achieved, in part, through mentorship and by creating opportunities for youth to participate in meetings and activities of the Arctic Council and its working groups. Canada should renew its commitment to support the University of the Arctic.
- ◆ Use the climate change issue to generate more interest in Canadians about their North. Educating Canadians of all ages about the importance of the North in Canadian and global affairs is a shared responsibility of northern and southern governments and institutions.
- ◆ Develop and implement, in consultation with northerners, a comprehensive program focusing on adaptation to climate change in northern regions
- ◆ Use devolution and land claims implementation to strengthen the roles of northerners and help enforce Canadian sovereignty in the Arctic. Sovereignty issues are directly linked to use and management of lands and waters. Sovereignty initiatives must embrace the human dimension through local and regional partnerships.

5. Canada's Arctic Sovereignty Must be Asserted

Participants drew connections between:

- ◆ proven and potential reserves of hydrocarbons and minerals in the Canadian and circumpolar Arctic;
- ◆ rising world demand and buoyant world prices for the North's hydrocarbons and minerals;
- ◆ projected diminished summer sea-ice cover or even a sea-ice-free Arctic in coming decades;
- ◆ increased domestic and international access by shipping to Arctic resources, including use of the Northwest Passage;
- ◆ increased exploration for, and development of, Arctic resources; and
- ◆ potential challenges to Canada's Arctic sovereignty.

Speaking of oil and gas development, one participant said "industry is now looking North because conventional supplies are declining." He suggested that climate change, sovereignty challenges and increased industrial development were "the perfect storm."

There was broad support for the Government of Canada's recent focus on Canada's Arctic sovereignty. In particular, participants supported investment in physical infrastructure—most notably the proposed deep water port in Nunavut in a location yet to be determined. Recapitalization of Canada's rapidly ageing icebreaker fleet was supported although it was concluded that responsibility for icebreakers should remain with the coastguard rather than be awarded to the navy. Reporting for ship traffic in Arctic waters is currently voluntary under the Arctic Canada Traffic Zone regulations (NORDREG). Such reporting should be made mandatory.

Workshop participants generally supported increasing the presence of Canada's armed services in the Arctic and it was noted that even with recently announced deployments the presence in the Arctic of Canada's armed services would be far smaller than that of most other armed forces deployments in the other circumpolar states. Satellite surveillance (RadarSat 2) in the Arctic needs to be co-ordinated with on-the-ground monitoring and enforcement including co-ordination of satellite information with the efforts of Canada's Arctic Rangers. Nevertheless, one participant cautioned: "We don't want militarization to become the symbol of the Arctic." Another suggested that a "loss" in resolving the maritime boundary in the Beaufort Sea would contravene promises by the Government of Canada in the Inuvialuit Land Claims Agreement.

All participants supported a broadening of Canada's approach to sovereignty assertion to include the human dimension and to reflect the rights of the region's indigenous peoples and the interests of all northerners. The Nunavut Land Claims Agreement acknowledges the contribution of Inuit to Canada's Arctic sovereignty. It was suggested that full implementation of

the provisions of this agreement could support the assertion of Canadian sovereignty and contribute to Canadian monitoring and surveillance activities.

It is important for Canada to use and draw upon Inuit use and occupancy of the offshore to reinforce Canada's Arctic sovereignty. Similarly, the Government of Canada might consider designating the Northwest Passage as an internal passage to be administered by the Government of Nunavut under the *Canada Oceans Act*. Some participants were puzzled as to why the Government of Canada had not included Inuit on the ministerial delegation that visited Hans Island in 2005, and others reported that Inuit were not included in Canada's delegation that met subsequently with the Government of Denmark to discuss competing sovereignty claims.

Some participants favoured negotiation of a Northwest Passage management and shipping regime with the United States/Alaska, and potentially, Denmark/Greenland, in which Canada's Arctic sovereignty could be acknowledged while simultaneously addressing US security concerns. In recommending this course of action one speaker suggested the interests of Canada and the USA in the Arctic are closer than most people think. In this vein, participants generally agreed that measures to assert and affirm Canada's Arctic sovereignty should be part and parcel of a broader northern strategy that would integrate local, regional, and national concerns and interests into the northern dimension of Canada's foreign policy. Arctic sovereignty assertion is best achieved through a partnership between Ottawa and the North. Possible actions include:

- ◆ Follow through on the sovereignty assertion measures the Prime Minister announced in Summer 2006;
- ◆ Proceed with the development of a deep water port in Nunavut in consultation with northern stakeholders to ensure that the human, rather than just military, dimensions of sovereignty are taken into account; and consider the broader issues connected with an Arctic marine transportation corridor, including infrastructure needs at the western end of such a corridor;
- ◆ Complete the Northern Strategy/Northern Vision process initiated by the Government of Canada in December 2004. Ensure that assertion of Arctic sovereignty is a key component of this strategy. Engage the territorial governments and Arctic Indigenous Peoples in completing and implementing the strategy;
- ◆ Implement northern land claims and self-government agreements and devolve authority to the territorial governments as means of equipping northerners to more fully support the Government of Canada to assert and affirm Canada's Arctic sovereignty; and
- ◆ With the participation of the territorial governments and Inuit, explore the legal, political, and sovereignty supporting case for a NW Passage management regime to be negotiated with the United States/Alaska, and potentially Denmark/Greenland.

6. National Interests in the North Require Government of Canada Leadership

Workshop participants believed firmly that the Government of Canada has a central and ongoing role in the North notwithstanding the settlement of aboriginal land claims, implementation of aboriginal self-government and devolution of authority to the territories. This ongoing role encompasses core federal responsibilities, including some which have been poorly performed or virtually ignored, including the development and implementation of policies and enabling infrastructure for security and sovereignty, search and rescue, scientific research, marine shipping, offshore resource development and more. These core responsibilities require immediate and focused attention so that Canada can articulate:

- ◆ the national interest in the North,
- ◆ the importance of the circumpolar north in Canada's international relations, and
- ◆ the objectives and ongoing long-term role of the Government of Canada in these regions.

7. A Coherent Policy Framework is Required

A comprehensive, detailed and coherent policy framework that unites domestic and foreign policy vis-à-vis the North is required to guide federal actions and decisions. The current policy vacuum makes it difficult to make good decisions that achieve long-term objectives. The Northern Political and Economic Framework published by DIAND in 1988 was the Government of Canada's last framework and it is out of date. In light of current and evolving geopolitical, economic, and environmental factors the North can no longer be treated in Ottawa as a boutique issue.

Canada needs to rethink and articulate clear policy objectives to guide its actions in the North. Many participants noted that when Canada defines clear objectives it often performs well to achieve them. Political leadership nationally is critically important if Canadians are to appreciate and respond accordingly to the growing importance of the north nationally and internationally.

A new northern policy framework will have to address among other things the human dimension; sovereignty and security; marine policy including domestic and international shipping and transportation; devolution and management of natural resources, implementation of land claims and self-government agreements; the knowledge, research, and education agenda; infrastructure development and maintenance; adaptation to climate change; and bilateral and multilateral relationships with our Arctic neighbours. Participants clearly articulated a strong and growing relationship between domestic and foreign policy concerns and the need for approaches and strategies encompassing both. Possible action includes:

- ◆ Complete a northern strategy process in consultation with the territorial governments, aboriginal peoples and other northern stakeholders, as a means to develop the required coherent policy framework.

8. Science, Research and the International Polar Year are Important

The International Polar Year—2007-2009—is tremendously important as science, research and knowledge increasingly underpin public policy. The Government of Canada should clarify which agency leads the IPY dialogue with northerners. Traditional knowledge has gained respect in the scientific community. Canada is usefully promoting a human and social science dimension in IPY. Canadian science in the North is either very good—a supernova—or absent—a black hole. In terms of research and science, Canada has under-invested in the North for many years so we now have insufficient infrastructure to carry out obligations and projects under IPY. The Canadian Polar Commission is under financed and is unable to achieve what it should. Possible action includes:

- ◆ Canada taking a leadership role in the International Polar Year to ensure this international programme leaves a lasting infrastructure, research, teaching and capacity building legacy in the North that equips northerners to act more fully on the national and international stages.
- ◆ Development of a better public information and communication strategy for Canadian and international audiences which takes account of consultation requirements, and permitting and licencing requirements, for scientific research in the North.

9. Implementing a Northern Dimension to Canada's Foreign Policy Requires Reform to the Machinery of Government

Whether the machinery of government is adequately serving northern Canadians and achieving objectives of the NDFP was a recurring theme. There was a shared view that adjusting the machinery of government would not achieve a great deal in the absence of a northern vision grounded in a clear understanding of Canada's national interests in the North. On the other hand most participants also suggested that reform of the machinery of government was crucial to redress the reactive, sporadic, and incremental nature of northern policy development and implementation, which for the most part occurs in vertical "departmental silos." Both views sprang from the same observation that Canada is not truly a "northern nation" because most people live in cities in the south and are more apt to look southward rather than northward. The North continues to receive little attention on the national political agenda.

This point reinforces many of the preceding observations that political leadership is crucial if Canadians are to learn of the growing importance nationally and internationally of "their" North. For example, by using the global barometer metaphor, the Arctic can be used to engage China, India, and additional rapidly developing countries whose emissions of toxic chemicals and greenhouse gases are impacting the lives of northerners.

Those in favour of reform of the machinery of government believe a clear focal point within the Government of Canada for northern and circumpolar issues will help to correct ongoing political and administrative “blindness” in Ottawa. The contrary view is that such reform won’t make any difference to political priorities of the Government of Canada. Possible actions include:

- ◆ Establish a national mechanism—perhaps a domestic Arctic Council composed of federal and territorial agencies and Arctic Indigenous Peoples and non-governmental stakeholders—to help develop a northern policy upon which a northern dimension to Canada’s foreign policy can be built. This domestic Arctic Council should have research and analytical capabilities; and
- ◆ Establish a state committee or new northern ministry to co-ordinate and draw connections across domestic and foreign policies for the North and to monitor policy implementation and departmental activities relating to the North.

10. Existing Institutions Must Deliver

Considerable time and energy has been expended in establishing institutions to address northern issues including the northern dimension to Canada’s foreign policy. There was a shared concern that some of these institutions are not working as they should. Rather than “reinventing the wheel” participants discussed how to make these institutions work more effectively. Political leadership was thought essential to this task. A clear example is the Canadian Polar Commission, which has very limited resources, has not fulfilled its legislative mandate, and does not function nearly as well as similar institutions, for example, in Denmark and Norway. Similarly, Canada is not making full use of the Arctic Council—essentially a Canadian initiative—for lack of policy direction, focus, co-ordination and resources. Possible actions include:

- ◆ Arctic Council: Canada should reconsider how best to develop and coordinate its substantive contributions to the Arctic Council, and how to better utilize the information and other resources emerging from this forum in developing Canadian policy and advancing Canadian interests.
- ◆ Permanent Participants: The three Canadian-based permanent participants to the Arctic Council—Arctic Athabaskan Council, Gwich’in Council International, and Inuit Circumpolar Council contribute significantly to selected elements of the council’s work. Canada is to be commended for contributing funds to these organizations but they remain woefully under-resourced. Canada should make every effort to increase its support to these organizations in this unique circumpolar intergovernmental forum;

- ◆ Ambassador for Circumpolar Affairs: When first created, the Office of Circumpolar Ambassador reported to two ministers—Indian Affairs and Northern Development and Foreign Affairs. This arrangement promoted foreign policy dialogue within Canada between North and South, and increased the opportunities for foreign policy positions to be informed by domestic circumstances and priorities. Altering the reporting relationship of the ambassador to a civil servant in the Department of Foreign Affairs would be a mistake and would signal internationally a downgrading of Canada’s commitment to the Arctic Council. Consultation with the North is strongly recommended before changes are made to the Office of the Circumpolar Ambassador; and
- ◆ Canadian Polar Commission: Canada’s Polar Commission has few resources and a minor role in developing Canada’s domestic northern policy and the northern dimension to its foreign policy. The commission should be reformed, re-energized and refinanced.

Key Recommendations to the Government of Canada

1. In consultation with the territorial governments, Arctic indigenous peoples and other northern stakeholders, the Government of Canada should complete the “Northern Strategy/Northern Vision” initiative begun in December 2004. The resulting policy statement should act as the foundation for the northern dimension of Canada’s foreign policy and should include a commitment to Canadian achievement in Arctic affairs commensurate with this region’s growing global significance.
2. The Northern Dimension to Canada’s Foreign Policy (NDFP) should be upgraded and expanded. Increased political, intellectual and fiscal resources should be devoted to its implementation. A firm commitment should be made to co-ordinate and bring to bear technical, legal and policy expertise within appropriate federal agencies to implement the northern dimension. Increasing the capacity of northerners, particularly youth, to promote circumpolar perspectives including post-secondary education, should be featured in the northern dimension.
3. The position and office of the Arctic Ambassador should be renewed and supported. The territorial governments and Arctic Indigenous Peoples should be consulted on the mandate and terms of reference of the Arctic Ambassador who should formally report to the Ministers of Foreign Affairs and Indian Affairs and Northern Development. The Ambassador should regularly consult with territorial governments and Arctic Indigenous Peoples on Arctic issues.
4. A mechanism, such as a domestic equivalent to the Arctic Council, should be established to ensure regular and focused discussions among federal departments and agencies and territorial governments, Arctic Indigenous Peoples and additional northern organizations. This would assist in the development of more strategically-oriented Canadian positions to be taken in international fora that address issues of concern to northerners and broader Canadian interests.
5. Canada should take a more visible and assertive leadership role in the Arctic Council’s sustainable development activities, including projects that assist northerners adapt to the unavoidable impacts of global climate change. Greater attention should be given, and commitments made, to developing and implementing projects under the Sustainable Development Working Group that address economic, social, cultural and language concerns.
6. The proposed deep water port in Nunavut should be pursued actively in advance of the next federal election. This port should be sited and developed in consultation with northerners to serve multiple social, economic, sovereignty, and military objectives.
7. The Canadian Polar Commission should be reformed, refinanced, and re-energized to achieve the mandate detailed in its founding legislation, and should engage national think tanks, professional associations, academic organizations and other stakeholders to develop northern perspectives and expertise in their activities. Following these reforms, the Commission should be given a more substantive role in the development and implementation of the Northern Dimension to Canada’s Foreign Policy.

Key Recommendations to Northern Governments and Aboriginal Peoples' Organizations

1. Invoke the 2003 Northern Co-operation accord to signal to the Government of Canada the willingness of the territorial governments to assist in the development and implementation of the Northern Dimension to Canada's Foreign Policy.
2. Invite the three Canadian-based permanent participants to the Arctic Council—the Arctic Athabaskan Council, the Gwich'in Council International and the Inuit Circumpolar Council—to discuss and explore perspectives on upgrading and expanding the Northern Dimension to Canada's Foreign Policy.

Appendices

Appendix 1:
Workshop Agenda



**The Arctic and Canada's Foreign Policy:
Workshop Programme and Agenda**

Wednesday, October 4th
The Earl Grey Room, 2nd Floor
Minto Suite Hotel
185 Lyon Street North

- 7:00 pm. Drinks at the Earl Grey room.
- 7:20 pm. Welcoming and opening remarks by Mr. James Stauch, The Walter and Duncan Gordon Foundation, and introduction of Mr. Jim Moore, workshop Chair, and Dr. Terry Fenge and Mr. Bernard Funston, workshop organizers/facilitators. Welcoming remarks by Mr. Alex Wood, Acting CEO of the National Round Table on the Environment and the Economy.
- 7:30 pm. Dinner.
- 8:45 pm. Brief personal introductions by each workshop participant.
- 9:15 pm. Remarks by Hon. Jim Prentice, Minister of Indian Affairs and Northern Development.
- 9:30 pm. Presentation by Dr. Terry Fenge and Mr. Bernard Funston of the purpose and agenda of workshop, and discussion paper.
- 9:50 pm. Mr. Jim Moore to invite comments on procedural issues.
- 10:00 pm. Conclusion of Evening Programme.

Appendix 1: continued

Workshop Agenda

Thursday, October 5th

The Large Boardroom

National Round Table on the Environment and the Economy

2nd Floor, Minto Suite Hotel Complex

185 Lyon Street North

- 9:00 am. Reflections by each workshop participant: Canadian Arctic Leadership—Myth or Reality?
- 10:30 am. Health break.
- 10:45 am. Northern Foreign Policy—What are we doing right and what are we doing wrong? Does the Discussion Paper identify the correct policy priorities?
- Climate Change and Variability
 - Knowledge and Research
 - Arctic Sovereignty and Security
 - Northern Natural Resources
 - Others?
- 12:00 pm Working Lunch
- 1:00 pm. Recommendations to the Government of Canada: What do you want the Government of Canada to do on each policy priority?
- 2:30 pm. Health break.
- 2:45 pm. Retooling the Machinery of Government for the short and long terms: How do we achieve our policy objectives?
- 4:45 pm. Concluding statements and Next Steps.
- 5:00 pm. Workshop concludes.

Appendix 2: Workshop Participants



A workshop hosted by the Walter and Duncan Gordon Foundation

The Arctic and Canada's Foreign Policy

Workshop Participants	
1	Beauchamp, Benoit (Arctic Institute of North America)
2	Ballantyne, Mike (Aber Resources)
3	Braden, George (Consultant, former Premier of NWT)
4	Byers, Michael (University of B.C.)
5	Courchene, Tom (Queen's University and Institute for Research on Public Policy)
6	Dickson, Cindy (Arctic Athabaskan Council)
7	Ford, Violet (Inuit Circumpolar Council)
8	Glassco, Jane (Trustee, Gordon Foundation)
9	Griffiths, Frank (University of Toronto)
10	Hanson, Udloriak (Nunavut Tunngavik Inc)
11	Hik, David (University of Alberta)
12	Huebert, Rob (University of Calgary)
13	Lahey, Jim (Department of Indian Affairs and Northern Development)
14	Linklater, Joe (Gwich'in Council International)
15	Montagu, Kyra (Trustee, Gordon Foundation)
16	Moore, Jim (Inuit Tapiirit Kanatami)
17	Obed, Letia (Government of Nunavut)
18	Penikett, Tony (Consultant, former Premier of Yukon)
19	Simon, Mary (Inuit Tapiirit Kanatami)
20	Stauch, James (Gordon Foundation)
21	Thiessen, Jessica (Arctic Youth Network)
22	Trudeau, Harley (Government of Yukon)
23	Fenge, Terry (Terry Fenge Consulting, workshop organizer)
24	Funston, Bernard (Northern Canada Consulting, workshop organizer)