



# POLICY PAPER

No. 11 (113), May 2015 © PISM

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## Poland's Policy towards the Arctic: Key Areas and Priority Actions

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*Given the multidimensional transformation taking place in the Arctic, it is timely to redefine and develop Poland's engagement in the region. Although Poland has neither vital nor direct political and economic interests in the Arctic, the state's multi-faceted involvement in international cooperation in that region may improve national security as well as enhance Poland's international standing, especially in the EU, European and transatlantic dimensions. A clearly defined and comprehensive Arctic policy should be the foundation for further Polish engagement in the region. How this policy should look may be determined on the basis of the previous achievements, current potential, and identification of key rationales and of the areas for future activities.*

### The Changing Arctic: What Happens in the Region Does Not Stay in the Region

Traditionally on the periphery of international relations, the Arctic has been attracting the interest of the international community for over a decade. The reasons for this unprecedented situation are the various implications of climate change, the economic and geopolitical significance of which has a global reach. A more thorough analysis, which runs counter to the oftentimes sensational media reports, reveals the following: (1) the Arctic region is an integral part of the ecological, political and economic international environment, and as such should not be divorced from global transformations; (2) climate change, though transforming the Arctic environment and arousing international interest in the region, is not the key factor fuelling the region's socio-economic transformation; (3) the worldwide demand for Arctic resources may be crucial for the state and prospects of the region's fisheries, sea transport and extractive industries, but international interest has not yet translated into the expected expansion of economic activity in the region. Poland, as one of stakeholders in the Arctic, cannot remain indifferent to the ongoing changes there, not only because it shares in the responsibility for those changes, but also because Poland will increasingly feel their consequences.

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## **Polish Presence in the Arctic: Nothing Ventured, Nothing Gained**

Poland's engagement in the Arctic is based on a long-established tradition of Polish research in the area, and a hitherto limited diplomatic involvement in international cooperation concerning the region. With an annual budget of approximately €2 million and secure funding for the coming years, the research activity of a dozen or so Polish scientific centres, especially in the European part of the Arctic, is now entering a new stage of development. Plans envisage more coordination (within the Committee on Polar Research of the Polish Academy of Sciences, and the Polish Polar Consortium), and stepped-up engagement in international projects. Poland has been a party to the Svalbard Treaty since 1931, and an observer state in the Arctic Council (AC) since 1996. The latter is the primary intergovernmental forum for discussing common Arctic issues among eight circumpolar states.<sup>5</sup> Therefore, Poland has legal and political arguments supporting its engagement in the Arctic. A case in point are the Warsaw Format Meetings, which bring together the AC observer states and chairmanship of the Arctic Council, and are organised by the Polish Ministry of Foreign Affairs. In view of the ongoing changes in the region, Polish involvement in the Arctic should be systemised and secured, so as not to risk losing the achieved position, the existing potential, and resources already invested in Poland's presence in the region. It should definitely be developed productively, to serve Polish interests and enhance Poland's international standing. But, in order to seize the opportunities presenting themselves to Poland and Polish players in the region, it is necessary to establish an effective interministerial coordination framework (built, for example, on the Polar Task Force, run by the MFA since 2011), also involving Polish academic, business and non-governmental players in the Arctic agenda. Such development would also facilitate drafting a policy document stating the principles of Poland's involvement in the region, and the key priorities and actions needed.

## **Managing the Arctic: The Arctic Council's Shares Go Up**

Arctic regional cooperation and its institutions are a unique example of a relatively efficient and flexible regional management. The system, based on legal components (the UN Convention on the Law of Sea and other international instruments) and political elements (notably the Arctic Council), operates on various levels of international relations, from the global, through the subregional, to the bilateral. The scope and quality of regional cooperation have evolved significantly in recent years, a trend that is particularly visible in the case of Arctic Council, a forum that has gradually reinforced its structure, and, at present, increasingly resembles an international organisation. Although intergovernmental cooperation in the Arctic has been well insulated from negative impacts of international developments outside the region, it cannot be ruled out that events in other parts of the world may produce some unfavourable effects in the future. The same may apply to different activities conducted by some Arctic states seeking to secure their national interests in the region, which is sometimes interpreted more as a "remilitarisation of the Arctic" than as the restoration and/or upgrading of Arctic military and policing capabilities. From the Polish standpoint, the key issue is active participation in regional cooperation institutions, the most significant of which is the Arctic Council. The initiatives launched in connection with the AC, such as the Warsaw Format Meetings (biennial meetings between non-Arctic observer states and the AC chairmanship), have allowed Poland to build a relatively strong position among the AC observers. Nevertheless, this political achievement could be undermined by a lack of substantive engagement in AC statutory activities on the practical level of working groups. That risk is visible especially when compared with the expected increased involvement and contribution of new Asian observer states.

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<sup>5</sup> The Arctic Council (AC) was established to promote cooperation and coordination among the Arctic states (Canada, Denmark/Greenland, Finland, Iceland, Norway, Russia, Sweden and the United States) on common Arctic issues, in particular environmental protection and sustainable development in the region (with military security being explicitly excluded from the scope of this collaboration). The largely unprecedented feature of the AC has been the involvement of organisations of indigenous peoples recognised as Permanent Participants and having a strong voice in the Council's activities. Observer status in the AC is open to: (1) non-Arctic states, (2) intergovernmental and inter-parliamentary organisations, global and regional, (3) non-governmental organisations meeting certain political criteria. There are currently 32 observers in total.

## **International Cooperation and Scientific Diplomacy: Small Risk and Big Profits**

Scientific collaboration in the Arctic is not only one of the best developed forms of international cooperation in the region, but also a cornerstone of political cooperation that takes the form of scientific diplomacy, notably as pursued at the level of Arctic Council working groups. The International Arctic Science Committee (IASC) is the biggest platform of scientific cooperation in the Arctic, while important tasks are also carried out by the Sustaining Arctic Observing Networks (SAON), the European Polar Board, and the Svalbard Science Forum. Poland has representatives in all these bodies. In the years to come, scientific activity is likely to continue to be Poland's major area of action in the Arctic, judging by the present levels of engagement in research cooperation, the existing human and material capital in this sphere, and new ventures by the polar community both at home and in Europe.

Expansion of scientific activities is a promising prospect, as Polish research in the Arctic, apart from being an image-booster, also legitimises Poland's presence in the Arctic Council, and serves as an entry ticket to the region. Under such circumstances, the centrepiece of Polish Arctic policy should be to support, safeguard and promote Polish scientific activity (at least at the current level), and emphasise the advantage Poland has in this field by translating it into political capital.

## **Climate Change and Protection of the Arctic Environment: Uncertainties and Challenges**

The origins of many environmental problems facing the Arctic lie outside the region. Climate change is seen as having a crucial impact on the Arctic environment in the long run. Moreover, persistent organic pollutants, sulphur and nitrogen oxides, and mercury from industrial areas south of the Arctic Circle make their way to the Arctic. These issues are subject to international conventions and negotiations. They also receive considerable attention in the Arctic Council, where the contribution of observer states, which are responsible for a substantial part of the pollution, could prove particularly valuable. As one of the European sources of pollution, proportionally significant even if only due to its size, Poland impacts the state of the Arctic environment, and should therefore play an active role in the work of the Arctic Council on climate and long-range pollution, and take Arctic issues into account when formulating Polish positions in relevant international forums. Moreover, over the last two decades Poland has made major progress in cutting down its emissions of greenhouse gases and long-range pollutants; and thus, also in reducing its Arctic footprint. This crucial contribution, together with examples such as the high environmental standards applied in the operation of the Polish research station in Hornsund (Svalbard), deserve to be promoted actively by the means of public diplomacy. What may additionally influence the perception of Poland as an environmentally responsible partner in the region is the contribution of Polish science to expanding general knowledge about environmental change, as well as the compliance by Polish businesses operating in the North with high environmental standards.

## **Socio-economic Development of the Arctic: Seek and Ye Shall Gain**

The characteristics and challenges typical of the northern regions include low population density and long distances, limited transport accessibility, regional dependence on national budget funding, raw material-based development, dynamic expansion of some urban centres, and the presence of indigenous peoples equipped with internationally grounded rights frameworks. Poland should take an interest in the socio-economic development of the Arctic regions, given the presence of Polish immigrants and the opportunities for Polish enterprises in the region. Moreover, in their engagement in the Arctic, non-Arctic players are expected to show sensitivity to northern social issues. The Arctic regions are very diverse in terms of development and socio-economic trends. Prospects for a Polish presence in the region should be assessed on a case by case basis, and the focus of actions should be on the most promising areas (Northern Norway, Iceland and Greenland) and sectors (mining, construction, engineering, ICT, exports, and R&D cooperation). Polish companies from these sectors have already gained foothold in the Nordic regions, and it is there that the market appears to be the most promising for players comparatively less experienced in activities in northern conditions. In addition, the current focus in Poland on developing ICT and green sectors of the economy makes the Nordic area particularly interesting, including the possibility of engaging

in beneficial partnerships with local companies. Other parts of the Arctic, while certainly not without prospects, are characterised by more challenging conditions, as well as the presence of very strong and well-established local business players. In North American and Russian regions, Polish companies cannot utilise the leverage connected with the presence of a more recent wave of Polish immigration, characteristic for Nordic countries. In more general terms, with immigrants playing an increasingly prominent role in the region, the contribution of Polish immigrants to the region's development needs to be analysed and highlighted through the means of public diplomacy. The existing trade and economic cooperation, economic and cultural promotion, and long-term cooperation with local partners should be used to support diplomatic and strategic actions (primarily the planned Go Arctic programme).

### **Energy and Non-energy Resources: Roulette for Steadfast Players**

Arctic regions boast large deposits of energy (oil and gas) and non-energy (iron, nickel, gold, zinc, rare earth elements, to name but a few) resources, and the probability of new discoveries is high. Yet, from the perspective of their exploration, each sub-region and each raw material need to be considered individually. Though climate change does affect extraction, it is a secondary driver to global prices of raw materials, especially as mining in the Arctic often entails high costs and substantial environmental hazards. Political decisions, legal regulations and local socio-economic conditions are also important aspects of the success of projects, with extraction often being seen as controversial. In recent years, many countries have amended their laws governing extractive industries, and implemented projects supporting environmentally and socially sustainable mining. Polish companies are participating alone or in cooperation in exploration works in the Barents Sea and Greenland. However, apart from the biggest firms, special attention should be given to the opportunities for Polish equipment suppliers and sub-contractors, including companies producing chains, components, machines or measuring devices (for instance, Emag, Fasing and Komag; moreover, some Polish companies, were sub-contracted during the construction of the Melkøya LNG plant in Norway). Polish universities have a solid base from which to cooperate with partners from Arctic regions on research and development projects relevant to responsible resource extraction.

### **Sea Transport and Shipbuilding: Increasing Opportunities and Recurring Problems**

The melting ice cover opens up new opportunities for navigation and maritime transport in the Arctic. The increase in ship traffic has been moderate in recent years. According to different studies (such as the 2009 AMSA report), it is predominantly destination traffic (to and from the Arctic) that holds the greatest promise for expansion in the medium-term perspective. Nonetheless, the potential to develop shorter sea routes between the world's major trade hubs is one of the basic factors impacting on the actions of countries and international cooperation in the region. Of key importance for cooperation in the Arctic are actions to implement AC recommendations on navigation and marine environment protection, and the adoption of a mandatory Polar Code within the International Maritime Organisation. The purpose of the code is to improve navigation safety in the Arctic by permitting only specific categories of ships to operate in the region. Further developments here could be significant for Poland, as a leading builder of ships suited to the difficult Arctic conditions. Poland's shipbuilding industry, along with its role as a major Baltic transshipment and destination port from the point of view of sea transit between Europe and Asia, are the key assets related to maritime operations in the Arctic that may be utilised to further strengthen the Polish presence in the region. Therefore, these areas should be given special attention when considering economic and commercial opportunities and interests. In this context, consideration should also be given to the potential of Polish ship-owners who have experience in Arctic navigation.

### **Fisheries: Not Greed but Caution and Tailor-made Solutions**

Fisheries is a major sector of the Arctic economy. The marginal seas of the Arctic Ocean are characterised by high productivity, while fisheries in its central part have so far been scarce. Legally speaking, these waters can be divided into high seas and areas subject to coastal countries' jurisdiction under their exclusive economic zones, with different legal provisions applying to each status. Whilst no expansion of fishing is likely in the central Arctic Ocean until 2030, it is important to secure Polish interests in the Arctic waters,

particularly in the Barents Sea. Considering the EU Common Fisheries Policy (CFP), it is chiefly within the EU that relevant actions should be taken. Within the CFP framework, Poland also ought to contemplate developing fishing in the waters surrounding Iceland and Greenland. Despite a massive reduction of the Polish deep-sea fleet in recent years, there is still development potential to be tapped into. Additionally, Poland should pay even more attention to the possibilities for development of its fish processing industry, which can benefit from the likely increase of fishing in countries such as Norway and Iceland. At the same time, given our limited knowledge about regional marine ecosystems and their relationship with climate change and human activity, the right management systems and extreme caution play a crucial role in the Arctic.

## **The European Union in the Arctic: Teamwork Pays Off**

The European Union's activity in the Arctic is an important reference point for Poland when formulating an Arctic policy. The EU, which has been directly affecting the region for decades through its environmental and economic footprint, and indirectly through the impact of European policies on development, set about formulating its Arctic policy in 2007/2008. Despite occasionally troubled relations with some Arctic partners (the EU still does not enjoy a formal Arctic Council observer status), the European institutions have made significant efforts to ensure the EU is viewed as a responsible partner that has much to offer to the Arctic players. Examples of such actions include the assessment of the EU's environmental impact on the Arctic, and dialogue with Arctic indigenous peoples. Moreover, the EU is a major sponsor of Arctic research, and supports regional policies in Northern Europe. It also plays an important role in international processes that are relevant for the region. Although the EU's Arctic policy is coordinated by the European Commission and the European External Action Service officials, there is so far no EU "ambassador" responsible for Arctic affairs. The Polish voice is well-heard in the EU debate about the Arctic, especially in the European Parliament. Poland also tries to actively address EU initiatives that aim to take the EU's Arctic policy forward. Cooperation with the EU on Arctic matters could become an important aspect of Polish Arctic policy.

## **European Observers in the Arctic Council: It's Good to Learn from One Another**

The fact that several observers in the Arctic Council have already presented their Arctic policy documents (Germany and the UK) or will do so in the months ahead (France), should encourage Poland to design its own Arctic policy statement. The above-mentioned countries occupy the same position within the Arctic Council as Poland, they are EU Member States, and their presence in the Arctic is predominantly a scientific one, though politics and economy also play an increasing role in their approach towards the region. The example of these countries shows that the process of drafting an Arctic policy creates a space for ministries to get involved and cooperate, and allows a wide range of national institutions and entities that are interested in the region to join the Arctic policy debate. Moreover, in developing Polish Arctic policy, it is worth identifying synergies on Arctic issues with other EU Member States. Poland's policy would benefit from building on others' good practices and experiences in avoiding actions and situations that could adversely affect relations with Arctic countries and in the region. In the light of fast-paced changes in the region, the growing activity of the old and new AC observers, and the review of the observers' involvement in the Arctic Council scheduled for 2017, it is high time that steps are taken to draw up a document clearly outlining Poland's Arctic policy, given the time it takes to develop a coherent position.

## **Priority Actions for Developing Poland's Arctic Policy**

Based on the analysis of the situation in the Arctic, and Poland's position in the region, in the first place the set of the following comprehensive recommendations for the shape and substance of Poland's Arctic policy can be formulated: (1) the policy should be built on carefully chosen foundations, or a body of international norms, rules and customs, which have been adopted by the Arctic community and make it possible for Poland to express its respect for the region's inhabitants and natural environment; (2) the decision to develop the policy should be made according to succinct and clear expectations as to its outcome, that is, the vision of Poland's active role as the Arctic's partner; (3) Polish involvement in the Arctic should

correspond to the state's various needs and aspirations, as manifested in specific political, economic and social interests in the Arctic areas and the processes taking place there; (4) the principal and interlinked objectives of Poland's Arctic policy should encompass the state's strong and stable position in the region, cooperation among all relevant Polish institutions, ongoing investment in Polish Arctic research, economic cooperation, good relations with social players in the region, international activity, and influence on the EU's Arctic policy.

To reach these goals, it is necessary to select the right and specific means, instruments, and actions, and to make the most of them at the opportune moment. Key measures that should be taken in the near future that could turn out to be most effective in the short-term include the following five recommendations.

Firstly, Poland needs to be more active in the Arctic Council by: (1) regular and committed participation of Polish representatives in the selected AC working groups, based on the competencies and strengths of Polish institutions, (2) establishing Poland's role as a promoter of more intense activity and cooperation among AC observers through the development of Warsaw Format Meetings, by including new, more specialised topics and inviting representatives of Arctic indigenous peoples (AC Permanent Participants) and external experts, as well as stimulating joint initiatives addressing these Arctic Council projects, in which the observers have a particularly important role to play, regarding, for example, long-range pollution or short-lived climate forcers.

Secondly, Poland should promote the distinctiveness of its engagement in the Arctic by the means of public diplomacy (for example, by publicising Poland's eventual Arctic policy document, initiating discussions about Arctic issues in bilateral relations with Arctic states, organising scientific, social and economic debates and exhibitions during important Arctic events and on a more regular basis, launching a Polish Arctic website, which would be used to exchange information, coordinating actions, and promoting Poland's active and comprehensive engagement in the region).

Thirdly, it is essential to support Polish Arctic research, through, for example, active engagement with the Arctic Council's Scientific Cooperation Task Force, in order to uphold further development of freedom of research in the region, as well as to improve relevant domestic regulations.

Fourthly, formulation and implementation of the Go Arctic initiative should be advanced, preferably with the participation of Polish and Arctic economic and social stakeholders. This should be done by providing essential regional expertise to Polish companies interested in operating in the energy sector, and in ship-building, mining, construction, engineering, ICT, exports, and R&D cooperation. The initiative could also be used as a platform to jointly develop (and declare) social and environmental guidelines for Polish companies operating in the region.

Finally, it is timely to establish an inter-ministerial coordination framework cooperating with representatives from academic, business and non-governmental sectors with an Arctic agenda. This coordination is required not only for operational reasons, but also to advance works on a policy document stating the principles, aims and key issue areas and sectors of Poland's involvement in the region. Such a document would be of benefit both for internal, long-term coordination of Poland's Arctic-related activities, as well as for communication of the government's approach, to partners in the Arctic, and to members of the public in Poland.