



## **A NEW GLOBAL FRONTIER**

**A Speech**

**by**

**the President of Iceland**

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**at**

**The Arctic Imperative Conference**

**Girdwood, Alaska**

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Your Excellencies

Distinguished officials, scholars, and business leaders

Ladies and gentlemen

When we gathered here this morning and upon our arrival yesterday, my thoughts were with our dear friend and distinguished Alaskan statesman, the late Governor Wally Hickel who served both this state and America in a historic way.

It showed his energy and determination how, ten years ago, he headed directly for the Presidential Residence in Iceland and requested a meeting; describing his mission regarding the future of the North and the Arctic.

Our discussion there led to my visit to Alaska in 2003, the first time that a President of Iceland arrived in this great state. I have had the privilege to return on later occasions but Wally is no longer with us. His spirit and vision live on, guiding the many he influenced, people from the Nordic countries, Russians, and Americans.

When we first met, the Arctic was still peripheral in the theatre of global concerns but in the following decade a dramatic shift took place. What was once the periphery has now become centre stage, crucial to the future of the world, to developments in energy production and global transport, constituting a new reality that has fundamentally changed the political and economic significance of the North.

One could even say that with respect to the Earth as a whole, the Arctic has become the new intellectual frontier calling for research, discoveries and active, scholarly cooperation in the same way as in previous centuries, exploration on frontiers in different parts of the world was both influenced by and led to academic endeavours.

Taken together, these developments have been so extensive that they have already created an elaborate, new political system – which I decided in St. Petersburg a few years ago to call “the New North” – an effective, broad and elaborate framework of cooperation.

New regional organisations now provide an interlocking network of systematic consultation embracing the entire area from Russia across the Baltic and the Barents Sea through the Nordic countries, over the Atlantic Ocean and Greenland into North America.

Furthermore, the federal structures of Russia, Canada and the United States have enabled regional, provincial and state governments to seek cooperation with the smaller nation-states in the Northern regions.

The Arctic and the North can now be seen as a laboratory of new ways of solving problems. In global terms it is highly democratic, allowing citizens and scholars, students and activists, entrepreneurs and business leaders to come forward with ideas, propositions, projects and plans, across national borders. Political innovation in the North has within a single decade produced a framework for cooperation and dialogue that offers many opportunities for initiative and progress, no longer hindered by the boundaries of old diplomatic rules.

Within the New North, everyone can work with everyone else. The possibilities are unlimited. Regions in Russia can work with independent states in Northern Europe; Alaska can work with the Nordic nations and, thus, reinforce its role as the standard-bearer of US involvement in Northern cooperation.

Let me also note that within the New North framework, the United States and Russia have better opportunities than in many other international forums to develop their cooperation and to become strong partners in the company of Canada and the Nordic countries. Other international frameworks are made more complicated by the presence of a different group of countries, as the recent disagreements within NATO demonstrate.

This was already evident in the final years of the 20<sup>th</sup> century when Governor Hickel had initiated the Northern Forum and the Institute of the North and I helped to establish the Northern Research Forum, a network

of scholars, scientists, researchers, officials, regional and business leaders – a kind of village square, open in a democratic way to all who wanted to contribute to a successful future of the Arctic.

The NRF's Open Assembly was held here in Alaska in 2008 and in September it will convene in Iceland, directly following a meeting of the Third Pole Forum, a gathering of glaciologists and other natural scientists, primarily from the Himalayan countries, that I and the University of Iceland have invited to assemble in our country. Their concerns are closely linked to the title and the theme of the NRF Open Assembly "Our Ice Dependent World" – a title which reminds not only ourselves but people everywhere that the melting of the ice has wide-ranging consequences for the whole planet.

Let me therefore take the opportunity here today, as chairman of the NRF Honorary Board, a body which also counts my good friend, former President to Finland and Noble Laureate Martti Ahtisaari among its members, to invite you and your institutions and companies to send participants to the NRF Open Assembly in Iceland.

It will be the first time that we in the North have an opportunity to discuss the future of the Arctic and the world in a dialogue with representatives of the Himalayan nations, with experts from China, India, Nepal, Bhutan and other countries.

The fate of the Arctic does indeed reflect the fate of the world, and our concerns must therefore be both global and regional, national and local.

Energy provides a good illustration. The profile of the Arctic in global media and in discourse among leaders in other countries is dominated by its plentiful supplies of gas and oil; reservoirs of fossil resources, representing perhaps as much as a quarter of the untapped global reservoir.

What tends to be forgotten is the pioneering of clean energy that can also be found in Arctic countries, for example in Iceland and Norway.

In my early youth, Iceland was still so dependent on fossil fuel that over 80% of our primary energy came from imported oil and coal. We were a poor nation of farmers and fishermen with life-styles and traditions that can still be found in the northern communities of Russia, Alaska, Canada and even in three Scandinavian countries.

Through systematic utilisation of our geothermal and hydro resources we have transformed our energy system and now 100% of the electricity and space heating comes from clean and sustainable resources.

Consequently, the country has become a magnet for foreign investment: aluminium smelters, data storage and other energy intensive operations for which a long term access to clean energy at stable prices provides an enormous competitive advantage.

A similar transformation from fossil fuel to clean energy can be executed all over the Arctic, bringing clean energy to communities and providing attractive opportunities for investments. The geothermal potential of many Arctic regions has perhaps been the forgotten secret of their energy future.

During my Presidency I have had the privilege of initiating discussions on geothermal possibilities in both Alaska and Russia, in Chukotka and Kamchatka, bringing with me Icelandic experts, scientists, engineers and project managers, presenting a vision where a geothermal progress could not only provide electricity to aluminium smelters and other industries, but also hot water for heating cities and villages, for swimming pools and spas that improve quality of life and strengthen the growth of tourism.

Hot water from geothermal resources can also be used to heat greenhouses and thus create suitable conditions for vegetable farming in the Arctic, fostering a new type of agriculture in small and large communities. Indeed, the Arctic could well become a major provider of tomatoes, cucumbers, green peppers and other high-quality produce fetching good prices in the advanced food markets of Europe and America.

This is not an idle dream but a realistic programme which could in the coming years be executed based on the proven track record of my country.

Similarly, the hydropower potential of the Arctic offers enormous possibilities, especially in the light of the successful operation of the ocean electric cable between Norway and the Netherlands. This is for example of great relevance for Greenland which possesses ample hydro power resources; that is one of the reasons why Alcoa is so interested in placing a new aluminium smelter there. Through a network of ocean cables from Greenland to Iceland and hence to Scotland and the European grid and also through cables from Greenland via Canada towards the American grid, Greenland could, in the near future, become one of the major new providers of clean, hydro-based electricity to the Western World, enjoying the favourable position of having a choice between Europe and America.

Clean energy and the sustainable use of natural resources could indeed become major pillars in revitalising the economy of the Arctic regions. In this respect, the management of fish stocks will also be of crucial importance.

Michel Rocard, the former Prime Minister of France and now President Sarkozy's ambassador to the Arctic, has recently pointed out that climate change will soon challenge us to negotiate how to control, in a sustainable and successful way, the open sea fisheries that the melting of the ice will make possible, that we must come together and develop a durable mechanism for sustainable Arctic fishing.

Our oceans are the home of important fish stocks that could be threatened if we fail to reach agreements on the management of these critical resources. If, however, we succeed, Arctic fishing could become a significant and profitable part of the global food production, especially since other parts of the world have failed in developing successful and sustainable fishing industries.

The melting of the ice will also open up new sea routes, linking Asia to America and Europe in a new way, revolutionising global trade like the Suez Canal did well over a century ago, transforming commerce, communications and business relationships, creating new dimensions in the global economy.

How will we deal with the growing commercial traffic in Arctic waters? How will the necessary regulatory framework be created, the rules and methods needed to deal with environmental threats and disasters? Will the harbours and the hubs which must be constructed be ready in time when the Chinese, European and American cargo vessels start using these new sea routes?

The need to address these issues is perhaps best illustrated by the growing interest of China in cooperating with Iceland. In fact, I have in the last ten years had so many meetings with Chinese leaders and representatives in Iceland that I have lost count – whereas, I regret to say, we have had much fewer visits from Washington since both the present and previous Administrations have directed their interests elsewhere.

Energy, global transport, ocean resources – these are only three of the reasons why our Arctic and Northern regions are quickly becoming a fascinating new frontier in the global economy, a frontier reinforced by new forms of political cooperation, new regional institutions, calling for enlightened policy making and extensive intellectual and scientific cooperation.

Therefore, I gladly accepted the invitation to attend this Alaska Conference, to come here only two weeks after visiting Rovaniemi in northern Finland where I participated in a dialogue celebrating the 10<sup>th</sup> anniversary of the University of the Arctic, a network of over one hundred universities and research institutions in the eight Arctic countries.

Taken together these three meetings, here in Alaska, in Rovaniemi earlier and in Iceland in September demonstrate how we are systematically conducting a productive dialogue.

But we must continue to do so in the years to come. Therefore let me conclude by offering you the suggestion that Rovaniemi in northern Finland, close to Russia, Iceland in the middle of the Atlantic, a Nordic country close to Greenland, and Alaska, the paramount Arctic state in North-America, could and should form an active network of cooperation, offering to become key locations for what could be a threefold ongoing Arctic Davos, places for continuous dialogue and deliberations on future opportunities in the North.

Such cooperation is certainly of considerable interest to Finland and Iceland and I hope that my friends in Alaska will seriously consider joining us in forming such a network, what could become the Alaska-Iceland-Rovaniemi nexus where we will regularly meet for an active and productive Arctic dialogue.