



HOUSE OF LORDS

INTERNATIONAL RELATIONS AND DEFENCE COMMITTEE

Arctic Inquiry: Norway and Finland visit

4–8 September 2023

1. A Committee delegation travelled to Norway and Finland from 4 to 8 September 2023. In Norway, the delegation held meetings in Oslo, Bodø and Tromsø. In Finland, the delegation met with Arctic stakeholders at the UK Embassy in Helsinki, and with officials at the Finnish Ministry of Defence. To facilitate frank discussion, several meetings were held under the Chatham House Rule.
2. The members of the delegation were: Lord Ashton of Hyde (Chair), Baroness Coussins, Lord Robertson of Port Ellen and Lord Stirrup. They were accompanied by the Clerk (Jennifer Martin-Kohlmorgen) and the Policy Analyst (Alex Nice). UK embassy staff in both countries briefed the delegation and attended meetings with other stakeholders.

INTERLOCUTORS

3. The delegation held meetings with the following individuals (in chronological order):

Oslo

- a. Jan Thompson, British Ambassador to Norway, and other UK embassy staff
- b. Morten Høglund, Senior Arctic Official, Ministry of Foreign Affairs
- c. Birgitte Hygen, Director, High North, Ministry of Foreign Affairs
- d. Lars Kjetil Køber, Director, Security Policy, Ministry of Foreign Affairs
- e. Henning Valum, Director General, Security Policy and Operations, Ministry of Defence
- f. Kate Hansen Bundt, Norwegian Atlantic Council
- g. Audun Halvorsen, Norwegian Shipowners' Association
- h. Rolf Tamnes, Researcher, Norwegian International Affairs Institute (NUPI)
- i. Natalia Moen-Larsen, Senior Researcher, NUPI
- j. Jon L. Fuglestad, Research Council of Norway

Bodø

- k. Rear Admiral Sandquist, Deputy Commander Norwegian Joint Headquarters, and other staff
- l. Tomas Ringen, Inspector, Joint Rescue Co-ordination Centre

Tromsø

- m. Mathieu Parker, Director, Arctic Council Secretariat, and advisors to Arctic Council Working Groups

- n. Dag Rune Olsen, Rector, University of Tromsø (the Arctic University), and academics working on Arctic issues
- o. Arnulf Kjeldsen, Executive Vice-President, KSAT Satellite Station, and Nina Soleng, Head of Communications, KSAT

Helsinki

- p. Kirsti Bourret, Deputy Head of Mission, and other UK embassy staff
- q. Samu Paukkunen, Acting Director, Finnish Institute of International Affairs
- r. Henri Vanhanen, Research Fellow, Finnish Institute of International Affairs
- s. Ambassador Petteri Vuorimäki, Finland's lead official on the Arctic
- t. Jukka Kopra, Chair of Finland's parliamentary defence committee
- u. Johanna Ikävalko, Director of the Arctic Centre in Rovaniemi
- v. Stuart Mackie, Hybrid Centre of Excellence
- w. Johan Schalin, Arctic Lead at the Hybrid Centre of Excellence
- x. Tero Vauraste, Regional Director and Senior Adviser at ICEYE Satellite
- y. Janne Kuusela, Director General, Defence Policy, Ministry of Defence
- z. General Timo Kivinen, Chief of Defence

KEY THEMES

4. The key themes discussed during these meetings were: the changing geopolitical context in the Arctic; NATO enlargement; the security challenge posed by Russia; the current and future role of China; the future of the Arctic Council and role of indigenous permanent participants; and, the role of the UK in the region. The remainder of this note summarises these discussions.

The changing geopolitical context in the Arctic and NATO enlargement

5. The accession of Finland and Sweden to NATO is one of the most important strategic changes to result from Russia's invasion of Ukraine. It has fundamentally transformed the geopolitics of the Nordic region.
6. Norwegian defence planners have traditionally focused on defence along a North-South axis. Norway is now investing in East-West infrastructure to facilitate the reinforcement of Sweden and Finland from the Atlantic in the event of a conflict with Russia. We heard that in a conflict with Russia, control of the air will be critical to ensure rapid reinforcement of Finland and Sweden. Discussions regarding a Nordic air centre are already far advanced. This could have up to 250 aircraft, 200 of which would be fifth generation, i.e. the most technologically advanced.
7. Following NATO accession, Finland and Sweden wish to be part of the same Joint Force Command (JFC) as Norway to consolidate Nordic defence co-operation and interoperability. Discussions on this are ongoing. At present, however, Norway is under JFC Norfolk, while Finland is under JFC Brunssum. This is because Norfolk currently lacks the operational capacity to handle Finland and a large conscription army. JFC Norfolk currently has a staff of 200, and this probably has to rise to 600. We were told that NATO training should test the flexibility and inter-operability between the joint commands in Brunssum and Norfolk.

8. The situation in Finnmark (northern Norway) has changed substantially in recent years. In 2010, Norway had just finished dismantling its military infrastructure in the region and border control was seen as largely a policing mission. The area has now been re-militarised. The communities around Kirkenes in northern Norway have been heavily affected by sanctions and the disruption to bilateral ties with Russia, although the impact has been tempered somewhat by reduced cross-border exchanges because of the COVID-19 pandemic. Still, there were close people-to-people contacts with Russian communities on the other side of the border and local communities are putting pressure on the Norwegian government to maintain some kind of dialogue with Russia.
9. Norway observes EU sanctions on Russia with two significant exceptions. First, the restrictions on Russian media activity are not viewed as consistent with Norway's domestic legislation on freedom of speech. Second, Norway has secured a large carve-out from fishing sanctions. Norway has a bilateral fishing agreement with Russia that it continues to observe. It argues the agreement is vital, because if Russian trawlers only fished in their own waters this would lead to overfishing of young cod, which would damage cod stocks across the whole of the Barents Sea. Consequently, Russian ships are still allowed to fish in Norwegian waters and dock in some Norwegian ports. In the initial phases of the full-scale invasion of Ukraine, Russian ships continued to be permitted to dock in all Norwegian ports. This was then limited to three ports to reduce the risk of sanctions evasion and espionage.
10. Norway and Finland anticipated that Russia would seek to disrupt Sweden and Finland's NATO accession and both countries prepared for an increase in sub-threshold malign activity. Although cyber-attacks are at a constantly high level, it was noted that there has been no evidence of a sharp increase in cyber-attacks or other operations to date.
11. Nonetheless, Norway is seeking to mitigate the risk of subsea sabotage because of the country's large offshore oil and gas sector. Following the attack on Nord Stream 2, it conducted an inspection of all its underwater infrastructure, an exercise the UK also contributed to. This was an important strategic signal of Norwegian commitment to protecting its critical infrastructure.
12. Norway is also keeping a close eye on Russia's use of scientific research ships in its waters because of espionage concerns. However, the law of the sea gives Russian ships right of passage.
13. The Committee also heard that, contrary to expectations, so far, there has not been a significant change in Russia's force posture on Finland's border. This may reflect resource constraints. Some expressed the view that Russia is seeking to keep tensions low in the Arctic for the moment so that it can focus its resources elsewhere. Russia's response to a major NATO exercise planned in Finland next year would be monitored carefully.
14. Norway does not view the Svalbard archipelago as an area of strategic vulnerability, despite the complications created by the 1920 Svalbard Treaty. We were told that relations with Russians on Barentsburg—the Russian community on Svalbard that is often seen as a potential flashpoint—remain calm. There were provocations on Russia's

Victory Day, when a parade was held and a helicopter flown over the island without authorisation.¹ This was dealt with by the Governor of Svalbard.

The security challenge posed by Russia

15. The Arctic is central to two pillars of Russia's power—nuclear weapons and abundant energy resources. We heard that Russia's latest maritime doctrine, approved in July 2022 and replacing the previous doctrine from 2015, raised the Arctic to the highest priority area for the navy, followed by the Pacific, with the Atlantic region dropping to third. The change in the maritime doctrine reflected Russian perceptions of a renewed threat of nuclear exchange over the North Pole and the internal Russian narrative that Western powers are seeking to take control of the country's energy resources.
16. The Kola peninsula, just over the border from Finland and Norway, is the centre of Russia's Bastion Defence to protect its second-strike nuclear forces. The Bastion Defence strategy is based on a defence concept developed in the 1970s, when the Soviet Union developed the capability to launch nuclear strikes on US targets from submarines at withdrawn positions. This enabled them to develop a "layered defence" with submarines deployed within or close to Russian Arctic waters. Russia has identified an area around the Kola peninsula that it seeks to control, and an area beyond this extending down into the North Atlantic where it has ambitions to deny NATO maritime operations.
17. Russia's ambitions for sea denial are currently limited by resource constraints. Russia's surface fleet relies heavily on legacy ships and it has not replaced them at the rate the leadership would wish. By contrast, Russia's submarine fleet is at normal operational strength. It is viewed as highly capable and difficult to detect. We were told that the Northern Fleet typically conducts itself more professionally than Russian naval forces in the Black Sea and that, therefore, there are fewer risky manoeuvres.
18. Russia's long-term objective for the Arctic is to put itself in a position to determine the rules of naval activity in the region. Russia has rebuilt and renewed a string of Soviet-era bases along its northern coast that were effectively abandoned after the end of the Cold War. It has developed an extensive system of infrastructure along its Arctic coast with the aim that, as the Arctic opens up, it can position itself as the key Arctic state and gateway to the region.
19. Aside from making the region more accessible to shipping, climate change is increasing the extent of the maritime borders Russia may have to defend. The ice shelf is an important part of Russia's Bastion Defence, providing a natural barrier to external shipping and providing cover for Russia's nuclear submarine fleet. The melting icecap may therefore increase Russia's sense of vulnerability.
20. Russia has not deprioritised the Arctic since its invasion of Ukraine. While ground forces attached to the Northern Fleet have been adversely affected by the war—Russia committed two brigades which, we were told, sustained heavy casualties—the Northern

¹ The Barents Observer, *Russia stages military-style propaganda parade on Norway's Svalbard archipelago* (9 May 2023): <https://thebarentsobserver.com/en/security/2023/05/russia-stages-military-style-propaganda-parade-norways-svalbard-archipelago> [accessed 21 September 2023]

Fleet and its air force based in the Arctic have not been impacted. Indeed, Russia has increased its aircraft deployments in the Arctic as it has moved some bombers further north to protect them from Ukrainian drone strikes.²

21. This reflects the strategic significance Russia attaches to the Arctic, which has only increased following Finland and Sweden's NATO accession. This is because, in the event of a conflict, the Russian navy's access to the Baltic would be significantly limited.
22. We consistently heard that a misunderstanding or accident would be the most likely source of conflict originating in the Arctic region. The current tensions between Russia and NATO increase the risk that such an incident could quickly escalate. To mitigate this, Norway's Joint Headquarters has retained a military-to-military hotline with the Northern Fleet as a confidence-building measure and to minimise the risk of accidents and misunderstandings. Every year, Norway has also renewed its protocol on coast guard co-operation and search and rescue co-operation with Russia's FSB (which manages the Coast Guard).

The current and future role of China

23. The balance of opinion regarding China's approach to the Arctic is that at present its footprint is limited, but it is clearly seeking a bigger role in the region, which needs to be monitored carefully. China's 2018 Arctic Strategy was identified as the point when China moved from regarding the Arctic as a dead-end, to a key link between the Pacific and Atlantic theatres. China wants to emphasise that the Arctic belongs to all humanity and is part of the global commons, rather than the prerogative of the Arctic states.
24. We heard that there had been a "real awakening" regarding the role of China in Norway in the last few years. Likewise, the Committee heard that Finland has changed its legislation to push Huawei out of its telecommunications sector. The Finnish Government also blocked the purchase of a disused airfield in Lapland by a company that was linked, ultimately, to the People's Liberation Army.
25. Our interlocutors agreed that China's future role in the Arctic would depend to a significant degree on its bilateral relationship with Russia. Experts in both Norway and Finland noted that Russia was ambivalent about increasing Chinese access to the Arctic, but the asymmetry of the relationship is now such that Russia might be forced to make concessions to China. The West therefore needs to prepare on the basis that China will be able to leverage Russian economic and diplomatic weakness to gain greater access to the Arctic. Russia would likely seek to offset Chinese influence by inviting other non-Western states, such as India, to take a bigger role in development of its Arctic resource base.

² The Barents Observer, *Russia relocates Tu-22M3 bombers to Kola Peninsula after drone attack* (19 August 2023): <https://thebarentsobserver.com/en/security/2023/08/russia-relocates-tu-22m3-bombers-kola-peninsula-after-drone-attack> [accessed 21 September 2023]

26. Many experts raised the April 2023 Russia-China agreement on coastguard co-operation signed in Murmansk.³ To date, there has not been any Chinese military or coastguard activity in the Arctic. Norwegian officials told us that they would perceive any Chinese military or coastguard presence in the Barents Sea as a serious security challenge. In 2017, Russia and China held their first joint exercise in the Baltic. Finnish officials assessed that this exercise was mainly for demonstration effect and had little military purpose.
27. We heard that China's role in the Arctic is a concern for Norway, but that it should be approached with realism—for example, not a single Chinese transport ship travelled through the North East Passage in 2022. For China, the costs of transit shipping through the Arctic remain high because of the need for insurance and the tough operating environment. It might be a faster route than going through the Suez Canal, but at present the economics of the route do not stack up. Chinese interest in the Norwegian Arctic is primarily focused on science and research at present.
28. Although there are Russian plans for a BRICS research centre on Svalbard, which were announced in April this year,⁴ and there had been some concern about the potential dual-use application of the research, we were told that there is strong Norwegian legislation regulating scientific research on Svalbard and that developing a research centre for dual-use purposes would not be easy.
29. At the same time, we were told that Norwegian defence planners are “fully aware” of the dual-use nature of Chinese research initiatives. We also heard that whereas Russia has typically upheld international law in the Arctic because it favours its interests, China does not have the same incentives to do so.

Search and rescue, and situational awareness in the Arctic

30. While in Bodø, the delegation held a meeting with the Norwegian Joint Rescue Centre. The delegation heard about the difficulties of conducting search and rescue (SAR) operations in the Arctic owing to the long distances, limited rescue infrastructure, extreme weather and absence of daylight for much of the year. Another challenge is that mapping of the Arctic is not comprehensive, for example around Svalbard. Demands on SAR services are growing significantly as the Arctic opens up to increased shipping. In 2023, the Norwegian SAR conducted a rescue at 86 degrees north, which set a new record for the proximity of a SAR operation to the North Pole.
31. The biggest demands on SAR services are during the summer months when the number of pleasure boats increases. A cruise ship to the Arctic can carry 4,000 people – more than the population of Svalbard. There are not sufficient SAR assets to rescue all of the passengers of a cruise ship should it have an accident. The Norwegian SAR service

³ The Barents Observer, *Russia's Coast Guard cooperation with China is a big step, Arctic security expert says* (28 April 2023): <https://thebarentsobserver.com/en/security/2023/04/russias-arctic-coast-guard-cooperation-china-big-step-expert> [accessed 21 September 2023]

⁴ High North News, *Russia Wants to Cooperate With BRICS Countries on Research on Svalbard* (14 April 2023): <https://www.highnorthnews.com/en/russia-wants-cooperate-brics-countries-research-svalbard> [accessed 21 September 2023]

recommends that cruise ships operate a buddy system where they travel together with another cruise ship, but not all companies follow this advice.

32. The UK can play a role in supporting SAR in the High North. For example, the UK has developed a new concept for the use of life rafts on P-8 aircraft which Norway is looking to adopt. The UK could also support efforts to tighten regulations on shipping in the Arctic through the International Maritime Organisation.
33. Norwegian SAR has paused all joint training with Russia, but in an emergency it continues to co-operate as usual with Russian counterparts. Norwegian Joint Search and Rescue has weekly communications with Murmansk. When there are accidents in border areas, it tends to be the Norwegians that cross over to rescue Russian ships, rather than vice-versa, as Russia has fewer rescue assets.

The work and future of the Arctic Council

34. During the visit, the Committee met with officials from the Arctic Council permanent secretariat in Tromsø, Norway, and discussed the future of the Arctic Council with a wide range of stakeholders.
35. The Arctic Council was officially established in 1996 through the Ottawa Declaration with a particular focus on sustainable development and environmental protection. Its mandate explicitly excludes security issues. The Arctic Council Secretariat is 10 years old. It was created at the initiative of the last Norwegian chairmanship. The Arctic Council grew out of Mikhail Gorbachev's 1987 Murmansk speech, where he called for peaceful co-operation in the Arctic.
36. The Arctic Council is a consensus-based organisation. There are eight member states, six permanent indigenous participants, 38 observer states and organisations,⁵ and six working groups. Prior to the war in Ukraine, the Arctic Council met at senior Arctic official level twice a year. The working groups meet an additional two times a year. There were 115 active projects before the war in Ukraine, on a wide variety of subjects. These are principally research projects relating to climate change and climate adaptation.
37. Experts told us that the involvement of indigenous peoples in the Arctic Council is not tokenistic and provides a model for how indigenous rights can be represented in international fora. Indigenous peoples' organisations are fully integrated into the work of the Arctic Council and their representatives can influence multilateral negotiations on the Arctic at the highest levels (although they do not have a veto on decisions made at a ministerial level).
38. Shortly after Russia's full-scale invasion of Ukraine, the seven other Arctic states suspended all co-operation with Russia. In June 2022 the Arctic Seven resumed work on working group projects that did not involve Russia. In late August 2023, the Arctic Eight reached agreement on guidelines on how to resume co-operation in working groups with Russia. There is no prospect of the resumption of meetings at a ministerial

⁵ The 38 observers include: 12 NGO observers, 13 intergovernmental organisations and 13 non-Arctic state observers. For full details, see: Arctic Council, 'Arctic Council Observers': <https://arctic-council.org/about/observers/> [accessed 21 September 2023]

level for the foreseeable future. Ministerial meetings are not needed for recommendations arising from Arctic Council working groups to be adopted as decisions can be made inter-sessionally through written procedures.

39. Despite the suspension of virtually all high-level diplomatic contacts with Russia, government officials in Norway and Finland were clear that they wished to keep the Arctic Council functioning, if possible. They emphasised that scientific co-operation was vital to monitor and mitigate the effects of climate change and to prevent environmental damage and pollution. They also noted that the Arctic Council provided a unique forum for Arctic indigenous peoples to engage at a high level with governments in the region on a multilateral basis. Officials noted that Russia accounts for such a large share of the Arctic that if scientists do not have access to scientific data gathered in the country, their understanding of environmental change in the Arctic will be seriously impaired.
40. The approach of co-operating with Russia at working group level was challenged by some, who argued that Russia would instrumentalise co-operation in the Arctic Council to soften its international isolation. Others, however, told us that while they have no illusions about the nature of the Russian state and its leadership, they still see value in trying to retain the unique technical and scientific co-operation through the Arctic Council. We heard that “the problems the Arctic states face don’t stop because Russia is suspended” and having Russia ‘inside the tent’ would be preferable to it pivoting further towards China.
41. We also heard that the mandate and powers of the Arctic Council should not be overstated. Were the Arctic Council cease to function, a range of agreements would still govern the Arctic, most notably UNCLOS.

The role of the UK in the region

42. In both Norway and Finland, all the experts and officials the Committee spoke with emphasised the strength and depth of the bilateral relationship with the UK. The UK is seen as an important security and diplomatic partner in the region. Finland particularly valued the UK’s decision to provide interim security guarantees to Finland after it announced its decision to join NATO.
43. Finland and Norway are eager for the UK to take on a leading role among European allies in supporting deterrence in Northern Europe and the High North, which was reflected in strong support for the UK-led Joint Expeditionary Force. Norway has three priorities linked to co-operation: involving other countries such as the UK in training exercises, strengthening intelligence sharing, and expanding military-civilian co-operation.
44. The FCDO’s Polar Regions Department is well-regarded in Norway and Finland. All the stakeholders the Committee spoke with were supportive of the idea of establishing the position of a UK Ambassador to the Arctic as this would send a strong signal of the UK’s commitment to the region.
45. We also heard that greater UK ministerial engagement would be welcomed by the Nordic Arctic states. Scottish Government ministers regularly attend meetings of the

Arctic Circle Assembly (an international forum dedicated to Arctic affairs), but UK ministers rarely do so.

46. Arctic science is the backbone of the UK's role in the Arctic—UK polar science is highly respected, and the UK makes substantial contributions to the scientific work of the Arctic Council. The Arctic Council Secretariat emphasised that it is important to have a plurality of scientific views and approaches, and the UK has an important role to play in this.
47. Several stakeholders asked when the UK would sign the Central Arctic Ocean Fisheries Agreement, which places a moratorium on fishing in the Arctic high seas. Following Brexit, the UK is currently not a party to the treaty—although it is actively seeking to re-join it. To be able to do so, the existing Parties must first acknowledge that the UK has an “interest” in the region.