

ACTIVITY REPORT



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3rd Annual Arctic360 Conference

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The third annual Arctic360 Conference was held at the [University of Toronto's Faculty Club](#) from 9-11 March 2022. "[Where Infrastructure Investments Meets Diplomacy](#)" featured early reactions from government, industry, and academia to Russia's all-out invasion of Ukraine, launched three weeks earlier on 24 February 2022. The juxtaposition of Arctic governments' chronic concern about infrastructure and how it interacted with the shock of extreme Russian action elsewhere formed the main theme of the conference. Introductions by Arctic360 executives Dr. Jessica Shadian and Madeleine Redfern might have lamented the "[pausing](#)" of the [Arctic Council](#) and the failure of [Arctic Exceptionalism](#), but discussions quickly pivoted to linking increased defence spending to benefiting new civilian infrastructure across the North.¹ References to Winston Churchill's famous quip about 'never letting a good crisis go to waste' were repeatedly made by speakers throughout the conference.

Diplomatic Responses to the Russian Invasion of Ukraine

With the exception of Russian diplomats (whom were uninvited from the event), the remaining seven Arctic states were well represented by their Ambassadors to Canada or Senior Arctic Officials (SAOs) and various trade officials. The first morning session, "Northern Perspectives," was geared towards Western responses to the Russian invasion of Ukraine, at that time reaching from Kyiv in the north around the eastern and southern borders down to the coast of the Black Sea. Swedish Ambassador to Canada Urban Ahlin strongly condemned Russia, arguing the Russians had breached the trust of a rules-based international system. Jon Fredriksen, Norwegian Ambassador to Canada, largely agreed with this assessment, stating that despite Norway and Russia working well bilaterally together in the 1990s and 2000s, "Moscow has slammed that open door in its own face" to continuing that relationship. Finnish Ambassador to Canada Roy Eriksson took things a step further, suggesting that something seemed off about Vladimir Putin during his last meeting with Finnish officials.

Heidi Kutz, Canada's SAO, was succinct in her comments. Russia had launched an unprovoked and unnecessary war that flagrantly violated international law, the very system of rules under which the Arctic had prospered. Because of this, Russia's war of choice "could not be ignored." She condemned the Russian invasion of Ukraine, reaffirmed that the Arctic Council would handle sovereignty, territory and international law but explained that a temporary "pause," was a needed response whilst Arctic States looked for "new modalities" of regional cooperation. The Arctic Council was still important today as it was three weeks before, Kutz explained, and Canada remained committed to its success as the premier forum for cooperation amongst Arctic States and

Indigenous Peoples. In the meantime, sub-regional cooperation must continue through people to people connectivity. This appeal to sub-regional cooperation was echoed by Ambassador Fredriksen, who argued that the foundations for these functional interactions were “not gone” and that Norway did not want to lose all benefit from organizations in the Barents and Baltic. Arctic states needed to figure out how to move forward despite the major setback Russia had introduced on Arctic cooperation. James DeHart, US Coordinator for the Arctic Region, was more measured in his comments, stating that while his country wanted the North to remain low tension and high in cooperation, everyone should best prepare for dramatic changes afoot there.

During a conversation on what the war in Ukraine meant for Arctic cooperation held remotely with the Honorable Peter MacKay, the former Conservative minister suggested that dramatic changes could go as far as kicking Russia out of the Arctic Council. Keynote addresses offered by Parliamentary Secretary to the Minister of Foreign Affairs Rob Oliphant and Kenneth Høegh, Head of Greenland Representation to Canada and the US, were less radical. Both men emphasized that the Arctic is still peaceful and sets an example for international relations elsewhere. The decision to “pause” the Arctic Council was not taken lightly, given the forum’s important role in fostering peace and cooperation across the region. As important as that regional cooperation is, what is even more important is an enduring international rules based order: an order Canada would never sacrifice.

Security and Infrastructure Spending

The lunchtime conversation with the Hon. Peter MacKay and Senator Dennis Patterson lamented that modern Arctic defence is given fits and starts of attention – with election cycles consistently disrupting policy momentum on projects that outlive the governments that begin them. Russia did pose a “real” threat to North America, and perhaps the will to build defences in response would be there. The pending debate about Sweden and Finland joining NATO and Germany’s announcement of doubling its defence budget reflected this changing mood. If Germany could do such a thing, why not Canada? From the audience, academic Whitney Lackenbauer insisted that Canada needed to sustain a comprehensive approach to the Arctic, pointing out the benefits of practical action rather than talking down the country’s modern record on defence for partisan gain (which, Lackenbauer argued, actually reinforces messaging from Canada’s competitors and adversaries).

Rob Oliphant emphasized that defending sovereignty was the government’s main priority in the North. It would do this by increasingly engaging in defence diplomacy via NORAD, the deployment of the new Harry DeWolf class of Arctic and Offshores Patrol Ships (AOPS), and icebreakers (although he acknowledged that more would have to be done to renew the Coast Guard’s fleet). The session on “National, & Human Security in the Arctic: A Civil-Military Infrastructure Discussion” did not try to talk down Canada but highlighted that security in the Arctic is an expensive concept. For one, defence forces take decades to build and Canada’s are a “big mess” and unprepared to fight a war in Europe. Second, the Canadian Arctic is difficult to defend due to its vast size, lack of infrastructure and many islands; the icy maritime conditions that characterize the North posing a particular challenge.

Some participants judged that Canada did not have a handle on infrastructure from a maritime and tourist point of view; what little did exist severely lacking. The NTI infrastructure report was held up as a good assessment of Nunavut's glaring gaps in infrastructure writ large. These gaps included the lack of deep-water ports, especially along the Northwest Passage and extended into the other territories in the Western Arctic. It was pointed out that the road to Tuktoyaktuk is essentially "useless" as the waters are too shallow there to make it an effective port. Presence – provided by ships – is needed to meet the various objectives discussed at the conference. While the Royal Canadian Navy (RCN) and Canadian Coast Guard had minimal fleets at present, Canada would renew and expand these fleets over the next 50 years, including plans to construct 26 more icebreakers. All of these ships needed to have flexibility built into them to meet a shifting future. A senior Coast Guard representative revealed that the agency was developing an Arctic strategy to make sure they were aligned with government priorities and new geopolitical realities.

Panelists generally agreed that the Department of National Defence (DND) has a good sense of infrastructure across the North. This including cleaning up old infrastructure, such as the leaking underground fuel farm from the Second World War that had contaminated Iqaluit's drinking water. New runways are needed, with no Forward Operating Locations (FOL) ready for the F-35s that will be purchased for the Royal Canadian Air Force (RCAF). Furthermore, this new infrastructure spending was competing for defence dollars with North American Aerospace Defence Command (NORAD) modernization. Federal departments were still working out how to maximize multi-use benefits out of infrastructure spending and the NORAD modernization program so that investing in one also helps the other.

The notion of burden sharing for infrastructure costs between departments and across governments was a common theme throughout the conference. This was especially true of using defence dollars to effectively "bootstrap" the North out of its chronic infrastructure deficit. Frequent references were made to developing a strategy that would tie together energy, telecommunications and security. A specific example was the federal government's 5% target for Indigenous participation in defence procurement. The operation and maintenance contract for the North Warning System (NWS) was weighted 35% Inuit benefit and 20% price, with the rest comprising technical requirements. Various participants emphasized that Northerners need to lead the way in infrastructure decision-making, and in this respect Canada was far ahead of its Arctic neighbours.

While harnessing Ukraine's misfortune to stimulate infrastructure and provide security proved a common theme, panelists acknowledged that new military infrastructure spending is not enough to address deficits in the North. Similarly, federal departments like Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) could not continue to treat development like discretionary spending. The session "Paying for Infrastructure" was organized around public-private and Indigenous partnerships and attracting capital to the North.² Panelists stated that Indigenous peoples want to participate in infrastructure and economic development projects to achieve shared prosperity in the Canadian North. They sought to do so in part through development corporations, which need more capital to participate in public/private partnerships in the Arctic. Despite no scarcity of capital and minimal risk in investing in the Canadian North (less than a 3% failure rate was cited), the perception of risk inhibited investment. Panelists argued that the federal government should counter this misperception, backstopping investment to mitigate the perception of risk. Government should set the tone for development, one panelist insisted, but not *do* development.

Reflections

It was less the North and more the international system that was presented as in crisis at the Arctic360 conference. Participants were adamant that the War in Ukraine should not go to waste as a catalyst to stimulate economic development across the Canadian North – and particularly the Canadian Arctic. Defence spending was premised more as a civilian opportunity to piggyback on military infrastructure to create wealth in the North rather than to provide security for Canada and its allies writ large. Overall, the conference was an excellent “triple helix” event, bringing together academia, government and industry on topics of policy importance. From an academic perspective, the insight offered by industry was particularly insightful.

Perhaps the most notable theme of the conference was that the Russian invasion of Ukraine had not yet stimulated calls for change in Canada’s defence or Arctic infrastructure. Rather than talk of increasing defence efforts or reworking calls of infrastructure in the Canadian North, the War in Ukraine had simply provided new rhetoric with which to justify pre-existing plans. Whilst the Russian invasion is a clear shock to the international system, it had not yet realigned plans for the Canadian Arctic.

Notes

¹ It should be noted that this rhetoric reflects earlier efforts tied to justify defence spending on NORAD modernization to help improve Northern infrastructure.

² An excellent example of this was provided by David Connelly, Vice President of Strategy and Corporate Affairs, Cheetah Resources. Cheetah had opened the first and only rare earth mine in Canada in the NWT, a critical element in sustainable development. For instance, rare earths can make magnets 27 times more powerful. The mine did not supply China and was manned by Indigenous workers, using improved technologies to lessen the environmental impact by 90% from similar mines elsewhere. The company was committed to building supply chains of strategic resources that built value added activities along the way – in the case starting in the North.