
Barents regional development. Oil and gas as the driving factor.

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Shipping and maritime transportation has for ages been the backbone in international trade. Already in early medieval times, there was extensive trade between Russia, Norway and central Europe via the northern sea routes. With ship traffic between far northern ports, it was possible to defy the harsh climatic conditions and establish a transport network which opened up for trade and contacts across borders and with deliveries to and from distant regions. Natural resources such as furs, fish and agricultural products were key elements in this barter trade which developed into what in modern times is referred to as the Pomor Trade.

The Pomor Trade, which came to an end with the 1917 Russian Revolution, is an early example of good neighborliness and people-to-people cooperation based on the rich access to natural resources in the North.

In Soviet times, the trade turned more in the direction of pure commodity-based trading operations, without the human aspects characteristic of the Pomor Trade.

With the emergence of post-Soviet Russia, a close and good cooperation in the north has been redeveloped. In this process, the Barents Cooperation has been an important arena and platform for interaction in a number of different fields.

Today, the Nordic-Russian High North again faces new times. The quickly developing oil and gas industry, as well as the enhanced prospects for Arctic shipping, make the Barents Sea an area of increasing political and corporate interest both in the four Barents countries and beyond. What does the new Arctic oil and gas age look like? And how will it affect international relations in the Barents Region? Is energy a potential booster of regional cooperation in the High North? Or could it possibly put the stable and well functioning cross-border relations in the region in jeopardy?

Arctic focus

The Arctic has harsh climatic conditions and vulnerable nature. A high focus on environment will be crucial for the establishment of a sustainable natural resources management regime in the region.

There are many stakeholders with big interests in the Arctic and the northern regions. Denmark, Norway, Russia, Canada and the United States – all bordering the Arctic waters – today work actively to secure their national interests in the region, and have all in the course of the last few years presented Arctic policy documents.

The Principles for Russian State Policy in the Arctic¹, approved by Russian President Dmitry Medvedev on 18 September 2008 highlights the region's great importance for the country's economy. This is based on the rich reserves of natural resources, as well as the future perspective development of maritime transport, including increased shipping along the Northern Sea Route. Russia wants to maintain its role as a leading nation in the Arctic, an area where the country also has important security interests. The strategy emphasizes the importance of extensive bi- and multilateral cooperation to ensure that the Arctic remains an area of development by means of peaceful coexistence and cooperation.

National security is the basis for the US's Arctic Directive.² At the same time, the document is also focusing on environmental aspects, energy resources and transport as key areas of interest. Furthermore, the necessity of international co-operation in the region is underlined.

Also the European Union (EU) in its Arctic Communication³ emphasizes environmental issues, natural resources and transportation. The importance of transport and logistics not only at sea, but also on land, is well illustrated by EU country Finland's new Arctic Policy. When Foreign Minister Alexander Stubb presented the Finnish Arctic policy⁴ in the autumn of 2009 he stated that «Northern Finland is organically linked to the north of Norway and Russia. [...] We have to make sure that Finnish businesses are able to make full use of their proximity to globally important economic possibilities. [...] We must also be ready to improve logistics in Finland and across borders.»⁵

Norway is the only Arctic state, which borders Russia both on land and at sea. This geographical proximity in the north makes the country's relations with Russia very important. This is clearly shown in the Norwegian High North strategy from 2006.⁶ Norway wants to continue and expand the good relations and collaboration in the north, and have a sound and sustainable resource management in the region.

Other Arctic states are also expected to elaborate national strategies for the Arctic. Cooperation will be a top issue also in these documents, although the form and contents will reflect national interests.

National interests are many and partly conflicting. However, a jointly expressed desire for peace and cooperation is the best guarantee for a development of the natural resources in the region.

Oil and gas

US Geological Survey has estimated that 22 percent of the world's undiscovered oil and gas resources are located in the Arctic.⁷ This corresponds to approximately 68 billion cubic meters of oil equivalents.

Russia already has large proven oil and gas deposits in the Arctic. The Yamal Peninsula alone is believed to contain up to 22 billion cubic meters of oil equivalents and the Shtokman field in the Barents Sea has proven reserves of 3.7 billion cubic meters of oil equivalents. Annual production from these fields, when they are fully developed, will be respectively 0.22 and 0.07 billion cubic meters of oil equivalents. In other words, a fully developed Shtokman field will annually produce about as much gas as all of Norway's production today.

Shtokman is important for Gazprom and for Russia. Not only will it open up for a strong increase in gas production. It will also be a source for the Russians to acquire technology knowledge and skills for offshore field development. Access to offshore key competence is extremely important in the light of future field developments in both the Barents and Kara Sea.

European Union countries aim to increase their use of natural gas as primary energy source and estimates say that the need for imported gas will be about 0,6 trillion cubic meters of oil equivalents in 2030.⁸ About 25 percent of this is to be imported as liquefied natural gas (LNG) shipped by tankers. Today, Russia is the by far dominant supplier of gas to Europe, and it is most likely that the country will continue to hold this position also in the future.

To be able to do that, Russia will need to make the sufficient volumes of gas available, as well as prepare the necessary export infrastructure, such as pipeline networks and LNG production units with export facilities. With the transportation infrastructure in place, all the gas from Shtokman and Yamal could be delivered directly to the EU covering a large part of the union's future annual consumption

Gas for delivery to the market via pipelines could theoretically come from any producing gas field in Russia connected to the Russian pipeline system. LNG however is planned to be produced only in the Russian north and on Sakhalin in the country's Far East. It is the northern fields that are said to provide LNG to Europe.

However, with the gas turned into LNG, Europe does not necessarily any longer have to be the primary market for the Russian Arctic gas. Gazprom at the Murmansk International Economic Forum 2009 announced that it was considering to ship LNG from the Russian Arctic via the Northern Sea Route (NSR) to customers in the Far East starting in 2014. The actuality of this export route was further strengthened when Russian shipping giant Sovcomflot in the same forum presented its plan for LNG shipments via the Northern Sea Route already in 2010.⁹

Both Europe, the US and markets in the Far East are interested in securing long term supplies from the Shtokman field. That leaves the floor open for Gazprom, which can choose to deliver to the most profitable market seen both in a commercial and political perspective.

Disputed area

The Shtokman field is not the only one of interest in the Barents Sea. Both the Murmanskoye and the Severo Kildinskoye fields are large. The latter is located partially in disputed waters, where both Russia and Norway have an interest in operations.

Both recently and in the Soviet period, Russia has proposed to establish an agreement with Norway on a joint exploitation of the petroleum resources, which are expected to be found in the disputed area. Norway has not wanted to enter into such an agreement until a final clarification around the boundary line within the area is determined.

It is important to ensure stable and predictable gas deliveries to the markets. Norway plays a key role in this context, partly as participant in the Shtokman development and as provider of technology to Russia, and partly as provider of solutions for transport and distribution to the markets.

It is reasonable to believe that the possible petroleum resources in the disputed area are the key issue making the delineation problem so difficult to settle. Very possibly, an agreement on the resource utilization in the area will be a catalyst for a final determination of the boundary line.

An agreement on the resources in the disputed area could also lead to enhanced cooperation in the field of oil and gas production and to a faster development of additional gas fields in the Barents Sea, both on the Norwegian and Russian sides.

A joint management responsibility for the extracted resources in the area will create an arena for strategic business development, which can bring the Norwegian-Russian cooperation to a new level.

Transportation

The volumes of oil transported from Russian ports along the Barents Sea coast are steadily growing. In 2009, an estimated 15 million tons of oil was shipped from the ports, along the Norwegian coast, and then delivered to importers in Europe and the United States.¹⁰ Lukoil's Varandey terminal - an offshore loading buoy located in the Pechora Sea - in 2009 stood for most of the shiploads, with a turnover of about nine million tons.

The winter season brings ice to the Russian waters, and ice classed vessels are used for the shipping operations. In addition, safe navigation to and from Varandey is secured by two purpose-built icebreakers.

Until year 2025, it is estimated that oil transportation from the Russian part of the Barents Region will exceed 100 million tons per year. This will give a significant growth in ship traffic and require necessary systems for search and rescue services, tugboats, and oil spill response preparedness in relation to activities in both Norwegian and Russian waters. Cooperation in these areas is already given high priority within the framework of the Barents Cooperation and exercises are conducted on a regular basis.

Russia is constantly striving to increase domestic port capacities in order to handle the increasing trade flows. This has brought an increased focus on capacity expansion also of the country's northern ports. The upcoming reconstruction and development of the Port of Murmansk is an example of efforts made to secure proper export capacity for oil and other raw materials, such as coal and metals.

Ship traffic from Murmansk, Arkhangelsk and further along the Northern Sea Route has for years been a necessity to provide essential supplies to and from populated areas and industry in these areas. For this purpose, the Russian shipping companies operating in Arctic waters have developed a large fleet of vessels suitable for sailing in ice. The fleet is constantly expanded following the growth in activities and the corresponding demand for shipping services.

The Russian nuclear icebreaker fleet is essential for year-round sailing along the Northern Sea Route. The dramatic decline in transport volumes along the NSR from nearly seven million tons in 1987 to about 1,5 million tons in the end of the 1990s has led to lower revenues for the fleet. An increase in traffic along the NSR is therefore an absolute necessity in order to ensure proper operation of the nuclear icebreaker fleet in the future.¹¹

The Russian Transport Ministry has opened up for western traffic along the NSR and now wants to reduce the cost for icebreaker assistance in order to stimulate traffic.

In late summer 2009, the Beluga Group was the first western shipping company ever to send ships from Korea through the Northern Sea Route. Two of their heavy-lift vessels brought cargo destined for unloading in Novy Port at the mouth of the river Ob. Just after leaving the NSR they loaded another cargo load in Arkhangelsk for further delivery to an African destination.¹²

The reason why a Western shipping company makes such a pioneering journey and not a Russian shipping company with many years experience in the area, is simply the fact that Russian shipping companies do not have the special tonnage required to transport and unload the appropriate type of goods. The Russians were thus prevented from doing the operation on their own and this prepared the ground for a solution based on international co-operation.

The demand for this type of transport is increasing as new major Russian energy deposits and industrial projects are developed in the north. Ports along the Northern Sea Route with connections to the great Russian rivers of Ob, Yenisei and Lena make it possible to transport large project loads to destinations in the north, but also for projects that can be accessed through transshipment and further transportation on the rivers. Similarly, this type of traffic also opens up for new export opportunities and increased activity in the north.

Both transport to destinations along the NSR and shipments all across the route will require nuclear icebreaker assistance. Co-operation between Russian and international companies, where all parties contribute with their respective qualifications and equipment, is a necessity to ensure the development of transport infrastructure in the region. That will subsequently stimulate growth in transport volumes.

Port Cooperation

Western shipping companies are operating in northern Russian ports, but only in a relatively small scale. The EU-funded Northern Maritime Corridor / Stratmos project is working to promote the opportunities and potential for increased ship traffic between western European ports and Murmansk and Arkhangelsk.

As the industrial activity level in the north grows, an increased demand for sea transport is generated.

There are major development plans for the Murmansk¹³ and Arkhangelsk ports. However, it will take several years to prepare for, and no less implement, these plans. In the

meantime, alternative solutions must be worked out to meet the higher demands in transport. Today's capabilities are not satisfactory and many companies are seeking alternative solutions for secure and proper port handling of their goods.

Enhanced collaboration between the regional ports, with high focus on the ports' respective comparative advantages, will make it possible to jointly handle most of the services requested. This will allow for the delivery of complete packages of logistical services even though the individual ports cannot cover all service fields alone.

Murmansk and Kirkenes are two ports, which already for several years have benefited from such a collaboration. Each port has been providing its own specialties. This cooperation has not been formally organized, but has simply emerged as clients on their own choose their preferred port of operation based on available and suitable services.

In general, Murmansk is a large-scale bulk port, but lacks the infrastructure and systems to handle smaller shipments and general cargo. This in combination with a heavy bureaucracy and time-consuming customs clearance makes the port as of today best suited for export of major bulk consignments.

Kirkenes harbor in Norway, which is close to the Russian border and which has short sailing distance to Murmansk, is relatively small, but characterized by high level of efficiency and low level of bureaucracy. This has led to an increase in activities related to rendering services to the Russian fishing fleet and oil and gas-related port operations that all need fast and efficient solutions. The port also effectively handles cargo shipments, many of which have their final destination in Murmansk.

The examples of how a small harbor close to the Russian border can perform complementary operations for its larger Russian neighboring port are many and range from services to exploration and drilling activities on the Russian shelf¹⁴, warranty repairs for Russian vessels¹⁵ to being a starting point for Arctic expeditions.

With a more systematic cooperation put in place, the two ports will jointly be able to provide good transportation and logistics solutions in a larger scale and thus also attract new activities. Alone as separate entities, the ports will hardly be able to handle such complex tasks. This kind of cooperation will be one of the most important and essential elements in the so-called Pomor Zone initiative¹⁶, a proposal on the establishment of a joint Norwegian-Russian industrial zone in the border areas between the countries. It can also contribute to the establishment of an international platform for cooperation based on the mutual benefit principle, which in former times was the basis for the Pomor Trade. With the infrastructure for efficient transport and logistics in place it will be possible for a number of international players to establish activity and multinational cooperation projects in the High North and the Arctic.

Transshipment

With the ice and the shallow waters as governing elements for shipping in the Russian far north, the need for transshipment of goods to and from these areas are still prevailing. Ice classed tankers with limited tonnage is the only option, and the vessels used are mostly purpose built to this traffic.

Based on acceptable transport economy principles and environmental considerations, however, it is not very suitable to use ice classed vessels for delivery to end markets. This is because the largest part of the sailing distance will be through waters without ice conditions.

Transshipment of goods from ice classed vessels and vessels of small tonnage to proper conventional tonnage is thus a growing activity.

This kind of operations have been conducted for years with Murmansk as the most commonly used northern port. Petroleum products are so far the dominant product that is transshipped. However, also metals and coal from Russian Arctic deposits are regularly transshipped.

With the rapid growth in production and export of natural resources comes a corresponding need for transshipment. That opens a number of possibilities for practical cross-border cooperation. Both metals and oil from Russia have already been transshipped in Norwegian ports and this activity is likely to grow in the coming years if it is seriously prepared for by the port authorities.

In the same way, growth in transit traffic through the Northern Sea Route will contribute to growth in transshipment. Also this will provide new opportunities for a number of ports in the Barents Region, and first of all for Arkhangelsk, Murmansk and Kirkenes – the three port with the greatest potential. The port's geographical location at the gateway to the northern sea routes is what that make a port strategic in this regard. This, together with the targeted organization and construction of necessary infrastructure, can contribute to a faster growth in traffic.

Some development trends

Predictable and smooth transport and logistics solutions are key elements in the further development of the region. Major Russian companies – both private and state-controlled – are building infrastructure necessary to ensure their own interests.

The industrial giant Norilsk Nickel is a good example in this regard. The company has elaborated a clearly defined strategy for the strengthening of control over its entire logistics chain. The company has become the owner of several ports and acquired vessels,

including five ice-classed and ice-breaking container vessels built to cover the company's transportation requirement on the route Murmansk - Arkhangelsk - Dudinka.

Furthermore, the company has established its own port area in Murmansk and has at the same time acquired a dominant stake in the Arkhangelsk Commercial Seaport. The company also controls the Yenisei River Shipping Company. Combined with its own port in Dudinka at the mouth of the Yenisei, Norilsk Nickel has built a complete transportation system of its own.¹⁷

On the basis of this system the company is constantly developing new business areas, including export of condensate and coal from production sites on the Taimyr Peninsula. Coal exports are planned to start in 2016 with eight million tons per year, which subsequently provides the basis for ordering another 10-12 new ice-classed 75 000 dwt bulk vessels to the company fleet.

Similarly, Gazprom is also constructing its own transport infrastructure to support the development of oil and gas deposits on the Yamal peninsula. This includes road systems, airports and railroad connections. The company's long term plans also include the building of a new port in Yamal for cargo handling and export of oil and gas. These projects are very resource-intensive during construction and then only need running operations and maintenance. Probably, for this reason, and to avoid large amount of capital tied up in non-core business, Prime Minister Putin has called for the railway line to be sold to the national rail carrier the Russian Railways.¹⁸

There are a number of similar examples of infrastructure development in the north, and typical for all the projects is that it is the commercial companies themselves which undertake the construction of the infrastructure.¹⁹ This is the only way to get in position to exploit natural resources assigned to the companies' licenses in the Russian North.

The same is the case other places in the Barents Region. In connection with a large iron ore deposit located in the Finnish-Swedish northern borderland, the question of good solutions for shipments has been put on the agenda. A most likely solution is the building of the «Ice Sea Railway» - a line which will connect the Swedish-Finnish deposits to the Norwegian Arctic coast.²⁰ Also here, private companies will have to invest in infrastructure.

Such a connection would open up for shipments with much larger vessels than the alternative route through the Bothnia Bay. This is beneficial in terms of economy and access to remote markets. At the same time it will give a series of positive spillover effects both in Sweden, Finland and Norway.

The building of transport infrastructure to the areas with natural resources extraction will open up for a broad variety of new activities in the north. This will be not only within the field of transport and logistics operations, but also in the development of new businesses, new industry and tourism.

Cooperation is the key to success

All the Arctic states and the European Union have strong interests related to the Arctic area. They have all highlighted the necessity of cooperation to ensure that all parties have their interests secured in the best possible way.

Russia is constantly encouraging increased cooperation. The Russian Minister of Foreign Affairs Sergey Lavrov in his speech at the opening of the Murmansk International Economic Forum 2009 said that there is no challenge in the Arctic which can not be resolved through peaceful cooperation.²¹ Furthermore, Lavrov at the same time underlined that the Barents Cooperation is an example of good teamwork.

Likewise, Governor of Murmansk Dmitry Dmitriyenko has openly stated that it will be impossible for Russia to develop the Shtokman field without cooperation with the West.²²

When Russian President Dmitry Medvedev in his speech to the National Assembly in November 2009 said that «We are ready for mutually beneficial cooperation with all countries and groups committed to developing constructive relations»²³ – That statement indicates that the floor is open for an international large-scale cooperation also in the High North.

Cross-border cooperation in the north is often highlighted as an example to follow. EU Commission representative Fernando Garcés in a seminar on «Regional Cooperation and Growth» in Murmansk in November 2009 said that «cross-border relations in the northernmost part of Europe has a positive and pragmatic approach. As a matter of fact, cross-border relations in the High North can serve as a model for EU-Russia cooperation».²⁴

Following the November 2009 EU-Russia summit in Stockholm, Russian President Medvedev was asked by journalists how he viewed the prospects for growth in trade and economic relations. The answer was simply: «I think we have good prospects for investments and cooperation, because where political contacts show development, investment usually follows».²⁵

The Barents Cooperation has for nearly two decades focused on the very same thing – facilitation and development of political contacts across borders on national, regional and local levels.

It is thus reasonable to believe that the Barents cooperation in many ways has prepared the ground and will continue to be an important platform for future long-term relations and mutual beneficial cooperation in the High North and the Arctic.

Footnotes

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The Russian icebreaker and supply vessel «Varandey» anchored in Kirkenes. (Photo: Jonas Sjøkvist Karlsbakk)



The Dudinka harbour terminal on the Yenisey in northern Russia. (Photo: Rume Rafajelsen)



The jack-up rig Energy Exerter towed in for maintenance operations in Kirkenes. (Photo: Jonas Sjøkvist Karlsbakk)





The «Belokamenka» oil tanker outside Kirkenes in 2004, on its way to Murmansk. (Photo: Jonas Sjøkvist Karlsbakk)

Indigenous peoples and industry. Complex co-existence in the Barents Euro-Arctic Region.

Christina Henriksen

For an untrained eye, the tundra areas in the north of Russia may seem like endless wilderness, only waiting for industrial activity. For the people who are born in the tundra, however, and who migrate with their reindeer all year long, the tundra represents first of all a home and a livelihood. The Nenets and Izhma-Komi people migrate between the coast of the Kara Sea and the Barents Sea to the inland, to the border with Arkhangelsk Oblast and to the lands in the north of the Republic of Komi.

Over the latest decades, Russian and international companies have extracted oil and gas from the Nenets tundra, and the industrial activities are continually expanding. Construction of pipelines, as well as the fear for oil spills, has major impact on the inhabitants who depend on the large land areas.

Similarly, the Saami population living in Murmansk Oblast today experiences increased industrial and commercial activity in the Kola Peninsula, which affects their daily life. Russian and international mining companies are expanding their activity, and the tourism business also makes demands for areas to use. Reindeer husbandry is still executed in the Kola Peninsula, by the Saami, Komi and Nenets¹ inhabiting the peninsula.

The industrial developments in the Barents Euro-Arctic region have led to a surge in political engagement within the indigenous peoples' communities and organizations. How is the dialogue between the indigenous peoples and the companies operating in their areas of livelihood? How are the Saami communities in the Kola Peninsula succeeding with the establishment of a desired politically elected Saami assembly in the region?

Indigenous peoples of the north

The «small-numbered indigenous peoples of the north» is a specific definition used officially in the Russian Federation and it provides a certain status to 40 different peoples in the North, Siberia and Far East.² This implies that the group consists of less than 50 000 individuals. It thus excludes several other ethnic groups that would have been

defined as indigenous in other states. In a wider context, lifestyle, livelihoods and ethnic identity also define indigenous peoples. However, in the Russian Federation it is the population size which marks the distinction between small-numbered peoples and other ethnic groups.³ The historical settlement territories of these indigenous peoples cover 64 percent of the territory of the Russian Federation.⁴

The Saami, the Nenets and the Veps are the small-numbered indigenous peoples of the north inhabiting the Barents Euro-Arctic Region (hereinafter referred to as BEAR)⁵, while the about 290 thousand individuals considering themselves to be Komi, and the about 90 thousands considering themselves Karelians have no indigenous status.⁶ Small-numbered indigenous peoples of the north are in various ways protected by Russian federal legislations and this constitutes one of the most important distinctions to the non-indigenous groups.

On June 9th 2008, the Norwegian Minister of Foreign Affairs, Mr. Jonas Gahr Støre met with the Russian Association of Indigenous Peoples of the North, Siberia and Far East (RAIPON). In this meeting, where also several Saami organizations were represented⁷, the issue of land rights for indigenous peoples was brought forward as the most urgent issue for indigenous peoples in the BEAR, as well as in the world as a whole, by President of RAIPON, Mr. Sergey Kharyuchi. He spoke about the challenges, which the indigenous peoples' communities face when encountering industrial companies and commercial interests in their land areas which they use for their livelihood. He also emphasized the need for a common Code of Conduct for enterprises operating in areas inhabited and used by indigenous peoples.

The Constitution of the Russian Federation protects the rights of the small-numbered indigenous peoples of the North, Siberia and Far East. So do also three declarative framework laws, whose provisions are largely theoretical.⁸

Article 1 in the federal law On Guarantees of the Rights of Numerically Small Indigenous Peoples of the Russian Federation⁹ states the following:

Indigenous peoples of the Russian Federation (hereinafter the small peoples) – people living in the territories of traditional settlement of their ancestors, preserving the traditional way of life, farming and crafts, numbering in the Russian Federation less than 50 thousand peoples and consider themselves to constitute self-conscious ethnic communities.¹⁰

Two additional federal laws protect the small-numbered indigenous peoples of the north; On the General Principles of Organizing Communities of Numerically Small Indigenous Peoples of the North, Siberia and the Far East of the Russian Federation¹¹ and On Territories of Traditional Nature Use of Numerically Small Indigenous Peoples of the North, Siberia and Far East of the Russian Federation.¹²

RAIPON President Kharyuchi in his speech at the VI RAIPON congress (Moscow, April 23 2009) noted that although numerically small indigenous peoples are protected by federal laws and various codes (e.g. the Land Code, the Water Code and the Forest Code), the amendments that are continually adopted reduce the status and rights of the indigenous peoples of the north. Also, Kharyuchi pointed to the fact that the reduced powers of Russian local and regional governing bodies have led to a weakening of the indigenous peoples' role in decision-making processes in issues regarding their own political status, economic, social and cultural development, as well as natural resources and land rights.¹³

Internationally, indigenous peoples' rights are protected by two main agreements, the ILO Convention No. 169 and the United Nations' Declaration on the Rights of the Indigenous Peoples.¹⁴ Norway ratified the ILO convention No. 169 as the first national state in 1990, but that example has not been followed by the other three Barents countries. However, an interesting fact concerning the Russian legislation is that the Russian Constitution in Article No. 69 states that "the Russian Federation guarantees the rights of indigenous peoples in accordance with the generally accepted principles and standards of international laws and international treaties of the Russian Federation". Further, Article No. 15 emphasizes that an international agreement takes precedence in the case of contradiction between an international agreement and national law.¹⁵

The Russian Federation was among the 11 states, which abstained from voting on the UN Declaration on Rights of Indigenous Peoples in the UN General assembly on September 13 2007. The Declaration was still however adopted by a recorded vote of 143 in favor to 4 against.¹⁶

The already mentioned RAIPON is the organization representing all the 40 numerically small indigenous peoples of the Russian North, Siberia and Far East. In the Barents Euro-Arctic Region, the indigenous peoples are in addition organized in regional organizations. The Nenets people living in Nenets Autonomous Okrug has their Yasavey association, the Veps people is organized in a cultural society, focusing mainly on the development of culture and language, while the Saami people in the Kola Peninsula is divided between two main organizations.

The Saami communities are in addition engaged in international cooperation with Saami organizations in neighboring Sweden, Finland, Norway, both in the Saami Council and the Saami Parliamentary Council — the main cooperative body of the Saami Parliaments in Sweden, Finland and Norway. In the latter, the Russian Saami organizations (AKS and OOSMO) hold status as permanent observers.

Industrial developments

Reindeer husbandry is significant for the livelihood of both the Saami and Nenets. Major parts of the Kola Peninsula serve as pasture land for the Saami (together with Izhma-Komi and some Nenets herders), and brigades of the Nenets and Izhma-Komi herders migrate with their herds (and families) to the coastlines of the Barents and the Kara Sea every summer, and back to the inland before winter.

These areas are thus actively being used by the indigenous peoples, and the activities of the industrial companies therefore pose a challenge to the traditional use of the pasture lands and the migration routes. Pipelines stretching across the pasture land, as well as other environmental challenges caused by industrial activities, force the reindeer herders to change their migration routes and find new pasture land for the herds.¹⁷

The natural resource potential of the North has contributed to an increased industrial focus on the region. Both Russian and multinational companies have established activities in the region to exploit the rich deposits of oil, gas and minerals. The Nenets Autonomous Okrug (hereinafter referred to as Nenets AO) is the largest oil development area in the Barents Region, with 83 oil and gas fields and 25 different operating companies.¹⁸ As much as 90 percent of the all income in Nenets AO comes from the oil and gas industry, and the average salaries of the region's population are among the highest in the country.¹⁹

As Mr. Kharyuchi said in his speech in April 2009, power is continually transferred from the local and regional authorities to the federal authorities, in particular when it comes to distribution of natural resource licenses. The Rodnik Legal Center also mentions this trend in its report prepared for the International Polar Year project «Monitoring of Development of Traditional Indigenous Land Use Areas in the Nenets AO», which is a collaboration project between the Norwegian Polar Institute and the Public Association of Nenets People (Yasavey).²⁰ The fact that governors are appointed by the Russian President (since 2004) has also contributed to a centralization of the power, and this has an indirect impact on indigenous peoples, as discussions and negotiations regarding regional issues more often are carried out with representatives in Moscow rather than in the respective regions.²¹

Although Russian legislation does open up for the *possibility* of signing contracts between regional government bodies and the industrial companies on production conditions in the respective areas, this is not mandatory.²² However, in Nenets AO, an established dialogue between the indigenous peoples' organization, Yasavey, and the Russian companies operating in the region still is taking place.

The Norwegian Barents Secretariat did an interview with President of Yasavey, Vladislav Peskov, in August 2009, where he said that practically all Russian companies operating

in his region are in contact with Yasavey regarding non-industrial projects. Also ConocoPhillips Russia Inc., the co-owner of the company Naryanmarneftegaz, communicates directly with Yasavey, he confirmed. Other foreign-owned companies, however, does not consider themselves obliged to be in contact with indigenous peoples' organizations. Statoil, which is co-owner of the Kharyaga field, has not responded to the inquiries from Yasavey, according to Peskov.

Among the main topics in the discussions between Yasavey and the respective industrial companies are, according to Peskov, the construction of passage ways for reindeer herds, as well as joint projects in the interest and benefit of the local indigenous people. Certainly, there are examples of positive co-existence between industry and indigenous peoples' communities, as is the case in the village Krasnoe. There, the reindeer herding cooperative Kharp (earlier *sovkhos Kharp*) has reached a well-functioning agreement with the gas company operating in the area.²³ The inhabitants in Krasnoe are employed in the gas industry, and they have got an increased living standard, thanks to the construction of new houses and reconstruction of public buildings, among them schools and a culture centre.

Saami challenges in Murmansk Oblast

Plans for extended mining activities in the Kola Peninsula, as well as the development of the Shtokman gas field in the Barents Sea, will have major impact on the lives of the Saami communities in Murmansk Oblast. The Saami people originally inhabited the entire Kola Peninsula, including the areas stretching towards the Norwegian border. The development of military bases and industrial sites literally forced the Saami population to move to the central parts of the peninsula during the 1960s, and Lovozero is today the main Saami centre with about 500 Saami inhabitants. The remaining Saami population lives first of all in neighboring towns, such as Revda, Olenegorsk, Monchegorsk, as well as in Murmansk.

The smaller villages and settlements in the Kola Peninsula, on the tundra, are also inhabited by Saami, Komi, Nenets people and others. These are the core areas of the regional Saami reindeer husbandry, where the two existing cooperatives, SHPK Tundra and SPHK Olenevod practically share the grazing land of the Kola Peninsula between them. These two companies are the remnants of the regional Soviet *sovkhos* system. Reindeer husbandry was also collectivized in the Soviet period and the herders are still referred to as brigadiers, as they are employed by the collective farms, which also own the reindeer herds.

Since the adoption of Russian legislation on *obshinas*, or family-based communities of indigenous peoples, in 2001, altogether 17 *obshinas* have been established in Murmansk Oblast.²⁴ These communities function as local organizations engaged in traditional in-

dustries, such as reindeer husbandry, fishing, hunting and more. The success of the *obshinas*, however, depends on various conditions. Achieving access to pasture land seems to be the main challenge for indigenous peoples aiming at re-establishment of traditional private reindeer husbandry. That is also the conclusion in several projects financed by the Norwegian Barents Secretariat.²⁵ Several places in the Russian North, the reindeer husbandry is also subject to privatization trends.

Increased industrial activity in the Kola Peninsula will potentially have serious consequences for the winter grazing land of the reindeer herds, as the animals graze in the inland during the winter. Valentina Sovkina, Head of the Council of Authorized Representatives of the Saami in Murmansk Oblast (hereinafter referred to as SUPS MO), says both the new mining projects in the region and the Shtokman field infrastructure will inevitably affect the traditional industry.²⁶ The Shtokman field installations will be located at sea, but the Saami communities will still be affected by the project, and first of all by the construction of pipelines crossing reindeer pasture land. However, the largest threat to the Saami people of the Kola Peninsula is the mining activities planned developed by the company ZAO Fedorovo Resources, of which 50 percent is owned by the Canadian company Barrick Gold Corporation. Large deposits of platinum and palladium were found in the Fedorovo tundra area, which currently serves as vital grazing land for the reindeer herds, and the construction of the mine is expected to begin in 2010. Prospect evaluation and exploration of the sites have been conducted in the area since 2001, and Sovkina says that the activity increased after the Canadian company came to the peninsula. According to Sovkina, Barrick Gold Corporation expects to be active in the peninsula for 13 years, at two open pits, and produce 150 tons of concentrate per year.

Saami politization

Whereas Yasavey cooperates closely with regional political authorities and has managed to establish a dialogue with industrial companies operating in its area, the situation is very different in Murmansk Oblast. There, the generally increasing commercial interest in the traditional Saami areas of livelihood has evidently resulted in a higher level of political involvement in the local population. Until 2008, there were two separate Saami non-governmental organizations active in Murmansk Oblast. In the spring of 2008, leading persons in the Saami communities, including from the two organizations, began to work for the establishment of a democratically elected Saami assembly, arguing that the indigenous peoples need to be better represented in political processes affecting their livelihood. The existing Saami Parliaments in Norway, Sweden and Finland are the models, and all the three Nordic parliaments have expressed support for the Russian Saami initiative.²⁷

The Saami Congress in Olenegorsk in 2008 can be seen as the start of a process to establish a representative Saami assembly. Originally, this congress was to be funded by the Murmansk regional administration, through the Regional Centre for Indigenous Peoples in the North (RCIPN). However, the application signed by the congress action group²⁸ was rejected. According to action group member Aleksandra Artieva²⁹ the reason for the rejection was not given. Still, the congress was finally arranged on 13 December 2008, and a Council of Authorized Representatives of the Saami in Murmansk Oblast (SUPS MO) elected.

The congress quite successfully strengthened the political profile of the regional Saami organizations. At the same time, however, it also illustrated a growing rift in relations with Murmansk regional authorities.

Thus, the regional authorities of Murmansk Oblast responded to the congress and its decisions by establishing a new, and apparently competing, Regional Council of Saami People, consisting of representatives of the obshinas, the first deputy governor of Murmansk Oblast and one member of the regional Public Chamber, according to Artieva.

The elected Council of Authorized Representatives of Saami in Murmansk Oblast (SUPS MO) has, according to Sovkina, written several letters to the regional administration, to the governor and to the regional parliament. However, there seems to be no willingness from the regional authorities' side to enter into a dialogue with the council. Still, the Council members continue their activities with meetings and with the distribution of information about their work. Sovkina maintains that the idea of establishing the elected Saami assembly in Murmansk Oblast is more than ten years old.³⁰ The current intensive development processes in the mining industry, the expansion of tourism and pressure from other commercial interests, all of which represent a certain threat to the Saami traditional ways of nature management, is what has speeded up the plans, she argues. This is the reason why the political involvement of the Saami population in Murmansk Oblast is on the rise, the Saami representative concludes.

Arena for cooperation

Industrial expansion and the effects of climate change are the two main challenges facing the indigenous peoples of the world and with that also the indigenous peoples inhabiting the Barents Euro-Arctic region. Direct impact on the indigenous peoples' livelihood has made the indigenous peoples join forces, also within the Barents Euro-Arctic Region. Jointly, the different organizations and institutions work for the fulfillment of national and international obligations towards the indigenous peoples, for example by making sure that existing legislation is observed.³¹

The Saami people in the Russian part of Sápmi – the land of the Saami – were for decades separated from the Saami communities in the Nordic countries. After the dissolution of the Soviet Union in 1991, the contact has been re-established and strengthened. Interaction between the Saami of the four countries has been facilitated by the establishment of the Barents Euro-Arctic Region and the established Saami transnational cooperation.³² Also the Nenets and Veps peoples have been included in the Barents cooperation structures, among them the Working Group of Indigenous Peoples of the BEAR (WGIP).³³ The Saami Council and RAIPON are both permanent participants to the Arctic Council³⁴, and the regional indigenous peoples' organizations, such as Yasavey in Nenets AO, the Veps Cultural Society in the Republic of Karelia and the Saami NGOs in Russia, have close ties to the first-mentioned organizations. Within the formal structures of the Barents Euro-Arctic Council, the WGIP has a distinct role as advisory body to both the Barents Euro-Arctic Council (state level) and the Barents Regional Council (regional level), and the Head of the WGIP has spoken at the ministerial sessions in both 2007 and 2009.

The development of indigenous peoples' communities in the north has been a priority of the Norwegian Ministry of Foreign Affairs over the last several years and has been highlighted in the government's High North strategy documents. On the Russian side, indigenous peoples were listed as a high priority for the Russian chairmanship of the BEAC (2007-2009).

Project funding from the Norwegian Barents Secretariat has been a catalyst for increased cooperation between the indigenous peoples of the Barents Euro-Arctic Region, and indigenous peoples' cooperation remains a prioritized area for funding. In 2008, the Secretariat granted almost three million kroner (350 000 EUR) to projects involving indigenous peoples, and in 2009, the sum increased to five million kroner (600 000 EUR). The project portfolio includes projects on culture, trade, entrepreneurship, development of expertise, and political cooperation. The aspect of people-to-people cooperation is important, and a considerable part of the project grants are spent on establishing arenas for interaction between the indigenous peoples of the region.

Footnotes

- ¹ The Saami people is the indigenous people of Murmansk Oblast, whereas the Izhma-Komi population migrated there from the Komi Republic about 100 years ago, bringing Nenets herders as well.
- ² IWGIA (International Work Group for Indigenous Affairs), *The Indigenous World 2009*, Copenhagen 2009
- ³ Øverland, Indra, «Indigenous Rights in the Russian North» in *Russia and the North*, University of Ottawa Press, Ottawa 2009
- ⁴ IWGIA (International Work Group for Indigenous Affairs), *The Indigenous World 2008*, Copenhagen 2008
- ⁵ According to the 2002 Russian census, there are a total of 1991 Saami, 41 302 Nenets and 8240 Veps living in Russia. See <http://www.perepis2002.ru/>
- ⁶ Respectively 293 406 and 93 344 according to the 2002 census
- ⁷ The Working Group of Indigenous Peoples in the BEAR (WGIP), the Saami Parliament in Norway, the Saami Council, and the Sami Women's Forum
- ⁸ IWGIA Indigenous World 2009
- ⁹ N 82-FZ adopted on April 30 1999, revised in 2004 and 2007
- ¹⁰ www.raipon.info
- ¹¹ N 104-FZ adopted on July 20 2000, revised in 2002, 2004 and 2006
- ¹² N 49-FZ adopted on May 7 2001, revised in 2007, RODNIK-Khmeleva/Grechushkina 2008-2009:4
- ¹³ Report of the President of Russian Association of Indigenous Peoples of the North, Siberia and Far East (RAIPON), Sergey N. Kharyuchi to the VI RAIPON Congress, Russian Academy of Governmental Service at the President of Russian Federation, Moscow, April 23rd 2009
- ¹⁴ adopted by the UN General Assembly on September 13 2007
- ¹⁵ Øverland, Indra. "Indigenous Rights in the Russian North", in *Russia and the North*. 2009: 170
- ¹⁶ The United Nations' General Assembly adopted the Declaration on Rights of Indigenous Peoples on September 13 2007. See the press release from the General Assembly. (<http://www.un.org/News/Press/docs/2007/ga10612.doc.htm>)

- ¹⁷ Interview with Vladislav V. Peskov, President of Yasavey, August 2009
- ¹⁸ See the MODIL-NAO project. (www.npolar.no/ipy-nenets)
- ¹⁹ Although a decrease has been caused by the last year's negative development in the global economy. See Barents Monitoring NAO, first quarter 2009 (<http://www.barentsobserver.com/barents-monitoring-nenets-2009-q1.4590290-116322.html>)
- ²⁰ Rodnik Legal Center, IPY Project: Monitoring of Development of Traditional Indigenous Land Use Areas in the Nenets Autonomous Okrug: Khmeleva/Grechushkina: *Legislative requirements for the hydrocarbon industry and protection of the rights of numerically small indigenous peoples of the Nenets Autonomous Okrug*, Moscow 2008-2009
- ²¹ Senior researcher Elana Wilson Rowe (Norwegian Institute of International Affairs - NUPD), *The Russian North: People, Politics and Resources*, Lecture for the Norwegian military border guards, Kirkenes, September 22, 2009
- ²² Rodnik Legal Center - Khmeleva/ Grechushkina 2008-2009:10
- ²³ According to the Barents Secretariat's Information Office in Naryan-Mar
- ²⁴ According to the Barents Indigenous Peoples' Office (BIPO) in Lovozero
- ²⁵ The Norwegian Barents Secretariat annually grants funding for cooperation project between Norwegian and Russian partners. Projects involving indigenous peoples are among the prioritized areas of funding.
- ²⁶ The First Saami Congress was held in Olenegorsk on December 13 2008. A total of 74 Saami delegates elected the members to the SUPS MO. Valentina V. Sovkina was elected Head of the Council.
- ²⁷ The Presidents of the Saami Parliaments in Norway and Finland took part in the first Saami Congress in 2008, and the Saami Parliament of Sweden was also represented there.
- ²⁸ The action group consisted of members of the Saami non-governmental organizations, Association of Kola Saami (AKS) and Official Organisation of Saami in Murmansk Oblast (OOSMO)
- ²⁹ Aleksandra A. Artieva is a member of OOSMO and the action group. Ms Artieva wrote an article (May 2009) about the preparation and implementation of the First Saami Congress, on a request by the Norwegian Barents Secretariat.
- ³⁰ Valentina V. Sovkina was interviewed by the Norwegian Barents Secretariat in September 2009
- ³¹ National states' legislation and international agreements and conventions, such as the ILO Convention No. 169 and the United Nations Declaration on the Rights of Indigenous Peoples

- ³² The Saami Council has member organizations (NGOs) in Norway, Sweden, Finland and Russia. The Saami NGOs in Russia (Kola Saami Association and OOSMO) are permanent observers to the Saami Parliamentary Council.
- ³³ Yasavey and the Veps Cultural Society appoint one (1) member each, the two Saami NGOs in Russia appoint one (1) member, whereas the Saami Parliamentary Council appoints the remaining three (3) Nordic Saami representatives to the WGIP
- ³⁴ Altogether six (6) indigenous peoples' organizations have the status of permanent participants to the Arctic Council; RAIPON, Saami Council, Inuit Circumpolar Council, Aleut International Association, Arctic Athabaskan Council and Gwich'in Council International



Reindeer herders on the Kaninskaya Tundra in Nenets Autonomous Okrug. (Photo: Christina Henriksen)





Norwegian Sami politicians. (Photo: Christina Henriksen)



Representatives of Russian indigenous peoples in a meeting with Norwegian Foreign Minister Jonas Gahr Støre. (Photo: Jonas Sjøkvist Karlsbakk)



Oil terminal on the Russian tundra. (Photo: Christina Henriksen)