

# Canada's Arctic Gateway: Discussion Paper Summary

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The following summarizes key elements of the discussion paper prepared for the "Northern Directions" Arctic Gateway Summit to be held November 8-10, 2010 in Winnipeg. The preparation of the discussion paper has been sponsored by the University of Winnipeg through its special programs funded by the OmniTRAX/Broe Quest Series Inc to support innovative ideas and spark new initiatives. However, it is important to note that the views expressed in the discussion paper are solely those of the authors, PPM Public Policy Management Limited, and do not necessarily represent the positions of the University of Winnipeg, Province of Manitoba, or any government agency.

The intent of the discussion paper is to give rise to a wide-ranging assessment of the ways to define and establish the Arctic Gateway. It provides perspectives and opinions on the importance of adopting an approach in governance, strategic investments and decision-making that builds on a coherent sense of purpose. It outlines issues for dialogue about the structure and procedures necessary to make Canada's Arctic Gateway a reality in terms of both national public policy and international presence.

This discussion paper was designed to provoke an examination of the ways to establish the Arctic Gateway within the Government of Canada's national gateway policy framework. This discussion paper's use of the term "Arctic" is meant to reference in many instances the sub-Arctic areas of the territories and northern regions of the provinces that share a number of the conditions and challenges of isolated Canadian communities and populations. It also points out the potential significance of an Arctic Gateway to the international community, and the important role this initiative could play in Canada's international relations.

The full text of the discussion paper is being distributed to all participants in the Summit, and is being made available to the public online through the University of Winnipeg.

## **OVERVIEW AND KEY QUESTIONS**

The Arctic is undergoing unprecedented changes in climate, accessibility of resources, and transformation in marine transportation conditions. The potential for resource development and viable shipping routes, unanticipated until very recently, also brings the prospect of significant impacts on communities and ways of life across the North. The challenge of balancing commercial and traditional values, particularly related to the transportation system and infrastructure of the North, has become daunting.

Framing the future of Canada's Arctic from a national gateway perspective would enable governments and the private sector to adopt a more comprehensive and coordinated approach to development in the region. For example, the governance structures to enable international involvement and indigenous community participation in shaping the future of the North will be crucial in Arctic Gateway development.

That being said, the future of Canada's Arctic and Northern regions is a concern of the international community, not only a matter of interest to Canadians. Decisions about Canadian policies and activities in the Arctic in the coming years will directly affect Canada's international links, as well as transportation costs and speed of shipping from Russia, India, China and other Pacific nations into Europe and the east coast of North America. Indeed, Canada's decisions about the future of the Arctic will have significant implications for international relations and the future of trade patterns across the globe.

The Arctic Gateway must be visualized in the context of its several different issues and challenges, including national sovereignty, indigenous stewardship and environmental integrity, not simply in terms of economic impacts and transportation systems.

Based on this recognition, the organizers of the "Northern Directions" Arctic Gateway Summit have identified three themes for exploration: Gateways and Corridors; Sustainable Communities; and

Indigenous and Northern Participation. The participants will be asked to examine each of these themes in terms of their importance in establishing a national Arctic Gateway in Canada.

Key questions arising from this discussion paper and from informed sources involved in trade and transportation corridors will be addressed during the Summit events. As a start, questions arising within each theme would include:

- **Gateways and Corridors:** *How would an Arctic Gateway enable Canadian companies and investors to capture emerging opportunities, strengthen the viability of new shipping avenues, and facilitate access to new international markets?*
- **Sustainable Communities:** *In what ways would an Arctic Gateway reinforce environmental protection and regional sustainability objectives, as well as reinforce Canada's sovereignty objectives across the North?*
- **Indigenous and Northern Participation:** *How could the lives of Arctic and Northern residents and their communities be enhanced through effective governance in the development and implementation of a comprehensive national Arctic Gateway strategy?*

In addition to these matters, several other issues and related questions are relevant for consideration of the national Arctic Gateway and will also be reviewed in discussions at the "Northern Directions" Arctic Gateway Summit.

### **Gateway Perceptions**

Canada's national gateways are crucial facilitators for the country's existing and potential international trade. In Canada, the term "gateway" has been used primarily to describe ports, transportation, distribution and logistics, with an emphasis on factors such as volumes of traffic. The notion of gateways, however, has been evolving to encompass national issues including environmental protection, human security, national sovereignty, international relations, and economic development strategies.

Gateways today are about more than trade and transportation facilities, locations and connections, particularly when viewed in terms of Canada's Arctic and northern regions that are becoming more accessible. They especially need to account for unique social, environmental and governance needs, as well as the changing physical landscape and ocean conditions brought on by climate change and long-term sustainability requirements.

- *In what ways could leadership and support by Canadians and the international community be mobilized to address the array of relevant issues and enable the Arctic Gateway to obtain national designation by the Government of Canada?*

### **National Framework**

Under a national policy framework, the Government of Canada has, so far, designated three major trade and transportation gateways: Atlantic region, Asia-Pacific region, and the central Ontario/Quebec region. Over the past five years, these national gateways have become hallmarks of Canada's evolving trade and transportation strategy. Ottawa's designation of an Arctic Gateway would complete the family of national gateway organizations that already constitute Canada's main western, eastern and southern connections with the world.

The national designation of an Arctic Gateway under the current federal government policy framework requires meeting five policy lens criteria:

1. Alignment with Canada's international commercial strategy,
2. Significant volumes and trade value,
3. Prospects in emerging trade and transportation opportunities,
4. Scope for improvement through strategic investment, and
5. Role for federal government involvement.

While the sheer volume of Arctic trade is considerably lower than the established gateways, the Arctic Gateway already fulfills all of the national policy framework requirements. Some of the criteria, such as

growth potential and significance for contributing to national objectives, are particular strengths of the Arctic Gateway.

- *How should the national gateway qualification criteria be applied to accurately measure and reflect the unique opportunities and nature of the Arctic Gateway and its rapidly growing significance for Canada?*

### **Governance and Structure**

The unique conditions of the Arctic include jurisdictional, cultural and collective decision-making differences from the rest of Canada. The governance arrangements in the Arctic particularly need to respect and accommodate the ways in which indigenous communities have been developing consensus and determining their futures.

The existing government structures and international agencies involved in decisions related to gateway issues could be supplemented by an innovative Arctic Gateway governance structure to enable indigenous communities, environmental organizations and the business sector to become more directly and collaboratively involved in shaping the future.

- *What governance structures should be adopted for an Arctic Gateway? Could a network model for Arctic Gateway governance effectively reflect the array of international and regional interests in the North?*

As the Asia-Pacific Gateway has shown, research is an essential element that would be necessary to underpin the strategic planning and operational objectives for the Arctic Gateway. Focussed and applied research at the technical and policy levels is needed to provide the necessary basis for understanding emerging gateway-related impacts and trends, such as climate change and international shipping issues, and their significance for the Arctic regions.

- *What knowledge gaps need to be filled, and which unique Arctic circumstances relevant to gateway development should be given particular attention or priority by researchers?*

### **Implementation**

The first two national gateways made use of existing organizations (port and airport authorities, not-for-profit institutions, and industry sector associations) to provide the operational platform and staff to implement their objectives in tangible ways. Among the lessons learned from the experience of those first national gateways was the importance of private sector leadership and organizational resources, in addition to government participation, as essential ingredients at the earliest stages of national gateway development.

It may be necessary to create a new private-sector-led organization to enable the Arctic Gateway to be launched and become operational.

- *How could the resources of companies, government agencies and community groups be pooled in support of an organization that could lead the development of the Arctic gateway? How should the Arctic Gateway supporting infrastructure of funding and personnel be established and structured?*

**Disclaimer:** *Please note that the views expressed throughout this discussion paper are exclusively those of the author. They are put forward to encourage debate and constructive dialogue. They do not necessarily represent opinions or perspectives other than those of the researchers and policy specialists of the discussion paper's author, PPM Public Policy Management Limited.*