Preface

In a letter dated 9 April 2019, the Minister for Foreign Affairs appointed a three-member Greenland Committee to submit recommendations on how to improve co-operation between Greenland and Iceland. The Committee was also tasked with analysing current bilateral relations between the two countries. Össur Skarphéðinsson was appointed Chairman, and other members appointed by the Minister were Unnur Brá Konráðsdóttir and Óttarr Guðlaugsson. Two Ministry employees worked with the Committee: Hildur H. Siguóardóttir during the first part of the working period and Geir Oddsson during the latter half. Lara Valgerður Kristjánsdóttir and Pétur Hreinsson from the Ministry also worked with the Greenland Committee in the final stages of the report.

There has been a great increase in bilateral relations between Iceland and Greenland, both political and economic, in recent years. This is reflected in the Icelandic Government’s decision to establish a diplomatic mission in Nuuk in 2013, and the decision of the Greenland authorities to establish a diplomatic mission in Reykjavík in late 2018. There is a growing economic connection between the two countries.

The countries already have great mutual interests, including in the fields of fisheries, air services, air traffic control, tourism and matters pertaining to the Arctic region. Enhanced co-operation in health care, education and support services for mining could become important areas of co-operation in the future. At the international level, co-operation between the countries is already growing, particularly Nordic and West Nordic co-operation and within the Arctic Council.

The Committee conducted research by visiting Greenland. Many meetings were held, both with locals and in Iceland. Information was also collected in various other ways.

The Greenland Committee’s report provides a detailed analysis of the current state of bilateral relations between the two countries and includes 100 recommendations for increased co-operation in various areas. They pertain equally to Icelandic authorities, the private sector, non-governmental organisations and the university community. Most recommendations are included in a special section on “extensive opportunities for co-operation”.

The report opens with an argument for why it is now more important than ever to increase communications between the countries, not least due to the region’s position in the new Arctic geopolitical significance.

It includes a discussion on the land and society, Greenlandic government structure and politics, and infrastructure development, including the considerable development of air and sea transport. The fishing industry, travel industry and mining operations are discussed in special chapters, which also include proposals for co-operation. Due to the proximity and extent of communications, the Committee decided to discuss East Greenland, and the issues particular to the area, specifically.

The report and recommendations are the work of the Committee alone. They are intended as a template for future co-operation between the countries and to provide consultation for the Minister. The Committee has prioritised 10 recommendations for policy development, and furthermore proposes that Greenland and Iceland enter into a framework agreement on future areas of co-operation.

Össur Skarphéðinsson, Chairman of the Foreign Minister’s Greenland Committee

Ólavur Ragnar Grímsson meets with the Greenland Committee: Unnur Brá Konráðsdóttir, Össur Skarphéðinsson and Geir Oddsson. Committee member Óttarr Guðlaugsson was absent. Photo: Ægir Ægisson.
Main Recommendations

The Greenland Committee's report contains a total of 100 specific recommendations for measures to increase co-operation between Greenland and Iceland in various areas. A comprehensive summary of these recommendations can be found at the end of the report.

At the outset, however, proposals are made for a framework agreement between Iceland and Greenland and for a parliamentary resolution on a Greenland policy, as well as 10 special recommendations for policy development.

I. Framework Agreement and Parliamentary Resolution

1. The Minister for Foreign Affairs will work on establishing a framework agreement on co-operation between Greenland and Iceland, detailing the objectives in the defined areas of co-operation. Iceland will focus on the issues and recommendations discussed in the Greenland Committee's report.

2. The Minister for Foreign Affairs will submit a parliamentary resolution describing Iceland's intent and objectives for increased co-operation between the two countries. The memorandum will include a definition of desirable areas of co-operation and a discussion of means to achieve them.

II. Ten Recommendations

1. Bilateral trade agreement
The Minister for Foreign Affairs will work on establishing a bilateral trade agreement between Greenland and Iceland with the aim of increasing trade between the countries and lowering the price of daily necessities for Greenlandic consumers. The bilateral trade agreement, along with the weekly sailings between Nuuk and Reykjavik that commenced this year, is expected to facilitate the entry of Icelandic low-cost supermarket chains into the Greenland market.

2. Leisure Centre in Tasiilaq
The Government, in consultation with Save the Children in Iceland and the municipality of Sermersooq, will give Tasiilaq in East Greenland a financial grant to purchase premises for a leisure centre and pay an employee's wages for three years. This will be an act of friendship on behalf of Icelanders toward the East Greenland community, which is burdened with social problems, such as widespread sexual abuse of children and the highest suicide rate among young people in the world.

3. Support for vulnerable people
The Icelandic Red Cross will receive support to embark on a fourfold project to support vulnerable people and improve the capabilities of local volunteers. The emphasis will be on mental health and trauma counselling, partly in view of the high suicide rate, training and empowering young volunteers to carry out preventive work among their peers, breaking the isolation of the elderly, and on the organisation of emergency response in the event of disasters and major accidents. Special emphasis will be placed on East Greenland, with the goal of reducing the suicide rate and all forms of violence against children (see 9.4). These projects will be carried out in collaboration with the Greenlandic Red Cross.

4. Development of distance learning
The Minister for Foreign Affairs and the Minister of Education, Science and Culture will conclude an agreement to ensure the funding for a three-year pilot project to implement distance learning at the University of Nuuk, Ilisimatusarfik, in collaboration with the University of Akureyri. Icelandic authorities will offer Icelandic expertise on the development of distance learning for the vocational and upper secondary levels, provided by the University of Akureyri. The countries will submit joint applications to Nordic and European funds for funding to implement distance learning in Greenland in order to raise the educational level in Greenland, which is currently the lowest in Europe.

5. New comprehensive fisheries agreement
A new comprehensive fisheries agreement will be established, extending to all straddling fish stocks, including deepwater redfish. Co-operation, including joint cod research off the coast of East Greenland, will be greatly increased. Temporary staff exchanges between institutions will be enabled; young Greenlandic scientists will be supported to work on PhD projects at the Marine and Freshwater Research Institute in Reykjavik and co-operation between companies in the fisheries sector will be established, including on the formation of an ocean cluster and fisheries studies. Regular bilateral consultations between institutions through mutual working visits will be formalised.

6. Search and rescue
The Minister for Foreign Affairs and the Minister of Justice will offer to share Icelandic search and rescue experience in order to establish a volunteer organisation in Greenland based on the experience and principles of ICE-SAR.

7. Small power plants in East Greenland
The Minister for Foreign Affairs and the Minister of Industry, Energy and Tourism will cooperate with the Greenlandic authorities to establish small power plants.
1. Greenland and Iceland in the New Arctic

The Arctic has seen catastrophic changes due to climate change. Arctic warming is at twice the global rate. Within two decades, the Arctic Ocean will be open for shipping and new shipping routes will cut by half the sea route between Asia and Europe. The Arctic will open up to the exploitation of various non-living resources. Fish stocks will grow and move further north and tourism will increase. The big powers are striving to maximize their position to take advantage of the ensuing new opportunities. The melting also alters the traditional lines of defence of the superpowers, pushing military troops and bases further north.

In only a single decade the Arctic has been transformed from an isolated peripheral region into one of the focal points of a new 21st century geopolitics. At the same time Greenland and Iceland are acquiring a new, strong position towards the outside world - not least the big powers. However, new risks emerge with new opportunities. Hence, rapid changes in the Arctic call for increased co-operation between the two neighbours. A united stance will enable them to better protect Arctic interests, develop new opportunities and strengthen their political position in the tempestuous waters of global politics.

Four major factors shape the development in the Arctic:

- Climate change
- Security interests of superpowers
- New shipping routes
- Resource utilization

These factors explain the increasing tension between the superpowers in the Arctic. This chapter analyzes how they intertwine to act on the position of both Greenland and Iceland and explains the foreground of the politcal changes presently happening in the Arctic and how the changes may affect the status of the two countries.

in East Greenland with the aim of replacing oil as an energy source for domestic heating and electricity production. It is proposed that East Greenland be included in the Icelandic National Energy Authority’s plan of micro hydro power plants. Concurrently, funding will be provided for individual projects on the basis of sustainable operational criteria (see 9.7.2 and see also oil burning in the Arctic in 8.10). The East Greenland model should become an example of energy transition for all Greenland villages where hydroelectric power is available.

8. International think tank
The Minister for Foreign Affairs, in consultation with Greenland authorities, will propose to the Arctic Circle that an international think tank be established on “Greenland in the Arctic”, e.g. in collaboration with the Wilson Center in Washington DC and the Arctic Initiative at Harvard University. The aim is to increase discussions on Greenland in the international academic community while strengthening the international relations between Greenland and Iceland.

9. Health care agreement
The Minister for Foreign Affairs and the Minister of Health will promote increased co-operation between Greenland and Iceland in the field of health care. The areas in which the Icelandic health system can serve Greenland will be mapped, with an emphasis on coronary angioplasty, brain angioplasty, specialised training for nursing personnel and elective procedures, such as joint replacement surgery and fertility treatment. Co-operation will also be established between the Icelandic Radiation Safety Authority and the Greenland authorities, on the implementation of standards and monitoring of radiation protection and radiation sources. A Greenlandic nurse and/or licensed practical nurse should be hired at Landspítali and Akureyri Hospital to facilitate the reception of emergency patients from the east coast of Greenland. The co-operation agreement between the countries in the field of health care will subsequently be updated with reference to the above-mentioned projects.

10. Arctic Centre
The government will appoint a working group to prepare the opening of an Arctic Centre in Reykjavík, the future home of the Arctic Circle. There will be facilities for visiting foreign scientists, scholars and PhD students and an Arctic museum. Efforts will also be made to strengthen ties with Greenland. The support of the many foreign institutions, associations and funds associated with the Arctic Circle will be sought to strengthen the financial basis of the project. The goal is to sustain, for the long term, the Icelandic forum that has proven the most successful in drawing attention to the Arctic and Greenland in a constantly evolving environment of rapid changes.
1.1. Global Effects of Melting

Climate change was recently described in one of the world’s most respected scientific journals as “an existential threat to civilisation.” It is important to keep in mind that the consequences are not limited to the Arctic, but have far-reaching effects around the world. The melting of the vast Greenland ice sheet and the ice cover in the Arctic Ocean, in conjunction with global warming, is raising sea levels and contributing to new weather extremes. They manifest themselves in various areas of the world, with more frequent and severe hurricanes, extreme rain, heat waves, prolonged droughts and forest fires, as well as increased risk of flooding in populated areas far from the Arctic.

These changes are drastically reflected in the Greenland ice sheet. It is melting faster than ever before and has been declining seven times faster in this decade than in the 1990s. The annual rate of loss increased from 33 billion tonnes of ice to 239 billion from 1992 to 2018. From 1992, a total of 3,800 billion tonnes have been lost from the Greenland ice sheet due to melting and increased glacier flow. Sea levels rise accordingly.

Scientists predict that sea levels will have risen by 67 cm by the end of the century. As a result of the increase, 400 million people are at serious risk of flooding. Scientists believe that there is an increasing risk of tipping points being reached, where one catastrophic climate event follows another in a never-ending vicious circle. If one fifth of the Greenland ice sheet melts, the global sea level will rise by almost two metres, with catastrophic effects on living conditions all over the world.

Approximately 80% of those most severely affected live far from the Arctic, most on the plains of Asia. This is why distant countries such as China, Japan, South Korea and the Pacific nations strive to collaborate with the Arctic nations on researching and understanding the effects of warming on the Greenland ice sheet. By researching the melting of the glaciers and ice sheet of the Arctic Ocean, these distant nations are in fact mapping out their own future.

THE GREENLAND ICE SHEET

The Greenland glacier covers 1,710,000 km². Apart from the main ice sheet, isolated glaciers and small ice caps cover an area that is almost equal the size of Iceland. The average thickness exceeds 2 km. At the highest point it reaches 3,290 m above sea level. It contains enough water to raise global sea levels by 72 m. Formed 18 million years ago the main glacier sits in a deep depression that at some points is lower than the sea level. High surrounding mountain ranges contain the main glacier within the depression. Only the Antarctic ice sheet is larger than the one covering Greenland. A scientific expedition, in which Icelanders took part, drilled through the ice sheet and recovered a 3 km core containing invaluable information on climate development.

MANDATE FOR INDEPENDENCE

“According to the mandate we have received from the nation, we must work for independence. There should be no doubt that everything we do is part of preparing for this. More than 70% of the population wants to move toward independence, and the Act on Greenland Self-Government stipulates how this is to be done. This is the mandate that we have received and have held for a long time.”


Kim Kielsen,
Prime Minister of Greenland (2014 – )
1.2 New Shipping Routes

The unavoidable melting will result in the Arctic Ocean becoming ice-free at the end of most summers sometime between 2030 and 2040. Reinforced ships will subsequently be able to sail year-round in either no ice or in one year-old ice.

There will eventually be three passable shipping routes across the Arctic Ocean:

1. The Northeast Passage
From the Bering Strait the Northern Passage stretches 5,500 km past Siberia and onwards to Europe. It is already an important shipping route for Russia and a prerequisite for the increased utilisation of oil and gas in the Russian Arctic. China has invested heavily in the Northeast Passage and negotiated with Russia to use the route as part of new maritime Polar Silk Roads between Asia and Europe. Icelanders have discussed a connection to the Northeast Passage by way of a large shipping port in North-East Iceland, with a focus on Finnafjörður, south of Langanes.

In Scandinavia plans are afoot on developing major infrastructures related to the Northeast Passage. Kirkenes in northern Norway strives to become a transshipment port. If funding is provided from the Chinese Belt and Road Initiative, the idea is to establish railway connections with Rovaniemi in Finland and from there to Helsinki, with a 100 km tunnel to the Estonian capital of Tallinn and onwards to mainland Europe.

2. The Northwest Passage
This is a difficult route extending from the Bering Strait along the North-American coastline through the Canadian archipelago to the Baffin Bay, facing Greenland, and onwards to Europe. The Northwest Passage is particularly difficult to traverse due to thick blocks of ice stacked up by strong currents along the coastlines of the archipelago. It is expected to become the latest of the three passages to be open for transport. Another drawback is the long-standing territorial dispute between the United States and Canada.

3. The Central Sea Route
The Central Sea Route lies close to the centre of the Arctic Ocean. It has the advantage for seafarers to be mostly outside national jurisdictions. In such areas, coastal states lack legal powers to impede traffic. Surprisingly, research has demonstrated that the ice cover is thinning at the fastest rate in the middle of the Arctic Ocean. The Central Sea Route is therefore anticipated to become the first route free of ice. A transshipment port in Iceland would be a feasible option to serve the Central Sea Route.

In Iceland, vivid interest is related to a possible port in Finnafjörður in the North East. It is strategically situated with respect to both the Central Sea Route and the Northeast Passage. However, a transshipment port in Kirkenes, Norway, offers a bit shorter route between Asia and Europe and would reduce the competitiveness of Finnafjörður with regard to the Northeast Passage.

Interestingly, China’s Arctic policy suggests that in the long term China intends to use more than one maritime route across the Arctic Ocean. The policy text refers to new routes in the plural. It should also be kept in mind that despite their collaborative efforts on the Northeast Passage, China–Russia relations have historically been tense. Their geopolitical interests are not always in alignment, for example, in Central Asia. It is likely that China will think twice before deciding to focus her maritime transport between Asia and Europe solely on the Northeast Passage. If warming in the 21st century will develop as predicted, it may well happen that the 21st century will bear witness to maritime transport between China and Europe along both the Northeast Passage and the Central Sea Route.

DIVISION OF THE ARCTIC

“To put the Arctic in context, the area is as large as Africa. I often find it convenient to divide the Arctic into three parts: The vast eastern area stretches from the Bering Strait across seven time-zones in Russia, ending in three small areas in the north of Norway, Sweden and Finland. The western area covers Alaska and the Canadian Arctic. The central area, which includes Greenland and Iceland, extends from the North Pole south across the Arctic Ocean covering the vast territories of Greenland and Iceland, with the Faroe Islands on the periphery. It is this area that globally is fast becoming a focal point due to the security interests of the superpowers as well as its proximity to the new Trans-Arctic shipping routes, not to mention the importance of Greenland. The central area is also where climate change is most obvious to the world.”

(Ólafur Ragnar Grimsson, in a meeting with the Greenland Committee)
1.3. Resources

Scientists estimate that the Arctic contains 13% of the world’s oil reserves and 25%–30% of the global gas reserves. The freezing cold and thick layers of ice have restricted exploitation as well as prospecting and extraction of metals and minerals. Several nations consider it possible to extract valuable resources from the seabed, including minerals, with melting of the ice cover. Russia, the US, also Greenland, have major plans to increase mining of various Arctic resources. With warming, extraction of valuable resources will increase, on land and off shore, including from below the seabed. Greenland’s scenarios on economic independence have been closely linked with utilization of non-living resources.

The exploitation of living marine resources is also destined to increase. The Intergovernmental Panel on Climate Change (IPCC) asserts that in the 21st century North Atlantic fish stocks will continue to move northwards.16 IPCC considers it “highly likely” that a “considerable increase” of biomass and fishing will be experienced on the peripheries of the Arctic Ocean. For example, the capelin, a fish species of economic importance, is predicted to start spawning off the coast of Novaja Zemlja.9 Big non-arctic powers have expressed an interest in fishing the common areas of the Arctic Ocean when accessible. Member states of the Arctic Council have responded by agreeing on large sanctuary areas with indefinite ban on fishing.

Arctic tourism will greatly expand with more cruisers already delighting tourists with Arctic tours in summer to Iceland, Greenland, Jan Mayen, Svalbard, the Canadian archipelago and Alaska. Visits of cruisers to Greenland increased by 90% in the period 2015–18. Prior to the Covid-19 pandemic the annual number of passengers in the Arctic Ocean was fast approaching 100,000.10 A well-known international company, Lindblad Expeditions, announced that its first cruise between northern Norway and Alaska along the Northwest Passage would take place in the summer of 2020. The pandemic intervened. Russia intends to invest heavily in Arctic tourism infrastructure and to multiply the number of Arctic tourists by 2035.11 In anticipation of a melting future the cruise industry had more than half of the 50 cruisers being built in 2018 designed to navigate through ice.

It can be assumed that Arctic cruises will require air transport to destinations far inside the Arctic and the ensuing construction of airports and hotels, search and rescue facilities as well as port facilities will provide new platforms for traditional Arctic tourism. It will demand well trained guides and staff to serve high-income tourists in search of adventures and experiences.

1.4. Power Play in the Arctic

For 30 years, the Arctic has been characterised by what has been referred to at times as “Arctic peace”. Military tension has been low. Disputes between superpowers in other arenas, such as the Ukraine conflict, have hitherto not disrupted Arctic co-operation to a significant degree. However, some states see a new security threat in the melting of the ice sheet. In times of conflict an ocean free of ice will enable access of hostile fleets to the shores. In order to defend against this new military possibility, troops and new military bases are moved further north. Meanwhile, the rising superpower of China has increased its ties and influence in the Arctic arena and neighbouring regions in various ways. In 2017, Chinese warships participated for the first time in exercises with the Russian navy in the Baltic Sea, and states, such as Sweden in her new Arctic Strategy, 2020, look askance at a military co-operation of Russia and China. The geopolitical status of the Arctic has already undergone a change in the early 21st century. A new tension between superpowers is emerging. As the Cold War between Russia and the United States defined the second half of the 20th century a growing tension between the United States and China has already cast a long shadow into the 21st century.

A turning point was the speech given by the United States Secretary of State, Mike Pompeo, in May 2019, in Rovaniemi. He defined the Arctic as a new area

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1.5 Withdrawal from the Arctic

The United States effectively withdrew from the Arctic at the end of the Cold War with the collapse of the Soviet Union. In Iceland the United States decided unilaterally to close its military base in Keflavík in 2006, despite strong opposition from Icelandic authorities. The trans-atlantic relationship significantly cooled. In the years 2008–2019 almost no high-ranking ministers from the USA visited Iceland and requests for talks on free trade met with little enthusiasm. The new indifference toward the Arctic was apparent in the scant interest for the Arctic Council. In its infancy it was largely ignored by the US, and no US Secretary of State attended its annual meetings until Secretary of State Hillary Clinton participated in the meeting in Nuuk, 2011, along with Secretary of the Interior, Ken Salazar.

Greenlanders experienced the same lack of interest. They had a remarkable relationship with the United States during World War II, that indirectly influenced the independence struggle decades later. When Self Rule was obtained in 2009, the Greenlanders hoped for, and expected, economic cooperation, not least in mining. It was a great disappointment when nothing came of this. In a recent article by Ane Lone Bagger, published at the end of her term as Minister of Foreign Affairs, she noted that after 2004, Greenlanders expected increased economic cooperation with the United States but that this did not materialize. Former Prime Minister Kupiik Kleist had earlier remarked that Greenland was no longer of any importance to the United States. Instead, the United States reduced their presence in Greenland, airfields were closed and operations at the Thule Air Base were reduced. Greenlandic mood turned sour, when the United States terminated long-standing service contracts to the Thule Air Base, of great value to the Greenlandic economy, and contracted to US companies at a higher price. While the United States interest toward the Arctic steadily declined, Arctic interest by Russia increased by leaps and bounds. From the year 2000, Russia fortified the Northern Fleet and invested heavily, with Chinese support, in the Northeast Passage, which not only was of commercial value, but of obvious military importance. Six military bases, either new or developed from relics of the Cold War, were built on Wrangel Island, the New Siberian Islands, and Franz Josef Land off the coast of Siberia. The main purpose of the military bases is to protect the vast coastline that will open up with the melting in the Arctic Ocean. From the northernmost base, Nagurskoye on Franz Josef Land,
Greenland and Iceland in the New Arctic

1.6 China and the Arctic

As the United States withdrew from the Arctic, China's interest in the region grew. China became an observer state in the Arctic Council in 2013. It published a detailed policy on the Arctic in 2018 and has for many years taken an active part in research into climate change related to the Arctic. China has defined herself as a “near-Arctic” state. In the Arctic, the Chinese have by far the most economic relations with Russia. They have invested heavily in the Northeast Passage, energy resources and systems to transport gas from Siberia to China. From the Yamal region on the Kara Sea, liquefied natural gas is transported by huge vessels25 and in late 2019, Presidents Xi and Putin inaugurated a new 8,000 kilometer-long gas pipeline system that stretches from Yakutia by the Arctic Ocean, across the Amur River and to Shanghai.26

China has also developed economic co-operation with the Nordic countries, including Norway, where a free trade agreement is in the final stages. As previously noted, there is great interest in North Norway in establishing a trans-shipment port for the Northeast Passage in Kirkenes, and related transport infrastructure. The increased emphasis on the Nordic countries is reflected by the Chinese Government formally entrusting the province of Hubei with the task of conducting trade with the Nordic countries on behalf of China. Numerous delegations from Hubei have regularly visited the Nordic countries, including Iceland. In the last decade the three West Nordic nations, i.e. Iceland, Greenland and the Faroe Islands, have significantly increased their economic co-operation with China.

Iceland signed important agreements with China in the 2010s, including a free trade agreement, the first such agreement between China and a European state. Following the banking crisis, the countries entered into a currency swap agreement which played a major role in breaking Iceland’s isolation in the Icesave dispute and is renewed regularly. In North Iceland, the Polar Research Institute of China (PRIC) operates a small centre for the exploration of the aurora borealis phenomena in collaboration with the Icelandic Centre for Research (Rannís). Icelandic authorities were introduced to the Chinese interest in new shipping routes across the Arctic Ocean in the previous decade, with an emphasis on developing the Central Sea Route. China has closely followed plans for a large shipping port in Northeast Iceland, and representatives of COSCO, China’s largest shipping company, have visited Iceland in connection with that. China invested in costly oil exploration in the Dreki area northeast of Iceland, which was later put on hold. Iceland became a founding member of the Asian Infrastructure Investment Bank, which facilitates participation in the enormous Belt and Road Initiative. China’s interest in the Central Sea Route and its potential connection with Iceland was emphasised in 2012, when the icebreaking research vessel Xue Long visited Iceland with the intention of sailing across the North Pole to China.

military aircraft could attack the Thule Air Base. Constructions also support very large supply and transport aircraft and equipment to operate aircraft that can carry long-range nuclear weapons.20 Nagurskoye will be the world’s northernmost base for fighter jets, located 1,000 km from the North Pole. Russia was very fast to establish the base. Construction began in 2017 and is expected to be completed in 2020.

The development of new military bases, especially on Franz Josef Land, radically alters the security interests of the United States. The military base in Nagurskoye has major implications with regard to the Thule Air Base, which is a key link in the US defence chain. A worst-case scenario for the United States is a conflict in which aircraft from Nagurskoye incapacitate Thule Air Base simultaneously and other aircraft carrying long-range nuclear weapons take off westwards. In order to respond to the new scenario, the United States need to increase their preparedness at Thule, preferably to have presence in other areas in Greenland and also to have secure access to Iceland in times of volatility. Congress also has mandated US authorities to establish a new naval Arctic base.

In addition to Greenland’s renewed strategic importance with regard to US defence, the growing trade conflict between the Trump Presidency and China also put focus on Greenland as a major source of rare earth metals. Greenland has a quarter of the global supply of these elements. It didn’t fully dawn until this century how important some of the rare earth metals are for emerging industries, including high-tech armaments, such as missiles and nuclear bombs, even the latest types of fighter jets and submarines. The United States and the EU accordingly define rare earth metals as “critical” raw materials and China as “strategic” materials. The Chinese have an absolute advantage when it comes to the production of rare earth metals (see Section 7). On the contrary, the United States produce next to none. They have been completely dependent on imports, mostly from China,22 which in 2018 provided 78% of the quantity required by American industries.23 The significance of this was dramatically displayed when China limited export temporarily in the 2010s.24 In this new perspective Greenland has suddenly acquired an increasingly important position as a future provider of rare earth metals. In developing the new Arctic policy, the United States are, for the first time, taking note of this unique position of Greenland.25
Meanwhile, Greenland has also developed closer ties to China. Exports to China are thirteen times the amount moved to the United States. China is now Greenland’s second most important export market after the EU. When Greenlanders were unsuccessful in raising finance for mining operations in the West, including in the United States, they turned their attention to Asia, both South Korea and China. In the Greenlandic Government’s annual reports on foreign affairs, China has been referred to as a preferred partner country since 2015. In the 2016 report, the opening of a diplomatic mission in Beijing was considered, with the explicit intention of linking Greenland’s priorities with the Chinese Arctic policy. One year later, Prime Minister Kim Kielsen, along with three other ministers, visited China and introduced the possibility of cooperation in mining operations and infrastructure, including building three international airports. By then, the Greenlanders had been unsuccessful in finding finance in Denmark for building the airports. Following the Prime Minister’s visit, major Chinese corporations expressed interest in financing and building them. This was vehemently opposed by the United States authorities, who raised the matter with the Danish Government. Eventually, the Danish Government raised funds for two airports, in Nuuk and Ilulissat, and the Chinese withdrew.

The airport issue became highly controversial and Kim Kielsen’s government lost its majority in parliament and struggled to survive as a minority government until a new party (Demokratiit) joined it in May 2020. Today, the position of China has changed drastically since the implementation of Self Rule in 2009: Chinese companies have major shareholdings in four large mining areas in Greenland; two Chinese oil companies have expressed interest in licenses for onshore oil drilling to be tendered in 2022; the Chinese are discussing to open a research station for climate studies in Greenland and a Chinese university wants to install an earth station for satellite communication in Nuuk. The Greenland government has recently announced a diplomatic mission to be established in Beijing in 2021: At the same time the Greenlanders have stressed their intent to remain a part of Western defence co-operation in an independent future. Famous for their skills to manoeuvre the traditional kayak they seem equally skilled to navigate the diplomatic high-seas.

The third West Nordic country, the Faroe Islands, a part of the Danish Kingdom, has also increased ties to China. It is presently preparing the introduction of 5G communication technology in collaboration with the Chinese company, Huawei. The Faroese have worked on a free trade agreement with China for seafood products and took a major step by opening a diplomatic mission in Beijing in 2019. Shortly after Secretary of State Pompeo’s speech in Rovaniemi, US Ambassador to the Kingdom of Denmark, Carla Sands warned the Faroese, in an open letter, of cooperation with China on 5G. Their independent streak was previously on display when the EU countries, led by Denmark, imposed trade sanctions against Russia due to the Ukraine conflict. The Faroese took little notice of Copenhagen and went on to open a directorate for trade in Moscow. Today, Russia is the largest export market of the Faroe Islands, currently purchasing 30% of Faroese exports.

1.7 New Policy Development – the US Awakens

When the Trump Administration took office, it was confronted with an Arctic reality that had changed dramatically in a short period: Russia was busily building half a dozen new military bases on the Siberian coast and China was displaying herself as a “near-Arctic” state. Many European countries had partnered with China in the Belt and Road Initiative, including heavyweights from the midst of Nato, such as Italy and the important financial centre of Luxembourg. Major infrastructure relating to expected Chinese financing was being planned in the Nordic countries. Five Nordic prime ministers announced officially that they had agreed to “continue” discussions on increased cooperation with China. In the West Nordic region, a vital link in the United States defence chain, all three West Nordic countries were tying bonds of economic cooperation with the rising superpower in Asia, that was increasingly suspect in the eyes of the United States.
Many factors, therefore, called for a re-evaluation of the US Arctic policy, not least security interests, new shipping routes and exploitation of resources. A bipartisan consensus gradually emerged in US politics on the importance of limiting the Chinese influence. Donald Trump explicitly stated early in his presidency that he considered China’s growing power a new threat. The United States now define China as their main competitor for global influence and resist it with increasing determination.

Although the Trump administration never presented a fully polished Arctic policy, there have been numerous displays of a completely new attitude, heralded by the historic speech by Secretary of State Pompeo in Rovaniemi. With regard to Greenland and Iceland a new understanding of their geostrategic importance has been expressed on many occasions.

1.8 Unexpected Emphasis on Iceland

By 2019, the renewed US interest in Iceland was on prominent display. In the first week of the year in Washington, the countries’ foreign ministers signed an agreement on increased defence co-operation between Iceland and the United States. It was explicitly justified with reference to changed conditions in the Arctic. US Secretaries had barely visited Iceland since the closure of the Keflavik military base in 2006, with the exception of Secretary of State Condoleezza Rice, who came on a visit in 2008, decided two years before in connection to the major shift in the defence relations. However, there was a dramatic turnaround in 2019, when three heavyweights in the Trump administration and five senators visited Iceland in a short period.

Barely five weeks after the January meeting with Guðlaugur Þór Þórðarson in Washington, Pompeo returned the visit and had important discussions in Reykjavik with his colleague, including trade issues. At the meeting, Foreign Minister Þórðarson emphasised the importance of free trade between the states. US Vice President, Mike Pence, visited Iceland later that year and discussed the Arctic, defence matters, and trade issues between the two states. During his visit, He was candid about his views on China in statements to the media. The Vice President thanked Iceland, erroneously, for refusing to take part in the Belt and Road Initiative, with Prime Minister Katrín Jakobsdóttir correcting him immediately. A new emphasis on defence between the states was reflected by the fact that during the meeting with the Icelandic Prime Minister, defence issues were also discussed, including projects to improve facilities for the submarine search aircraft fleet at Keflavik Airport.

At a meeting between the Vice President and the Icelandic Minister of Foreign Affairs, a historic new approach to trade between the states was presented. Previous Icelandic governments had been unable to initiate free trade discussions with the United States, but at the meeting Pence surprised by declaring the willingness of US authorities to discuss a free trade agreement with Iceland. Back in the United States the Vice President confirmed this in a closed meeting where two senators took up the issue, and further disclosed that a working group was exploring the matter. Background information provided by officials to the media linked the free trade discussions with the altered security conditions in the Arctic and Iceland’s potential involvement with the Belt and Road Initiative. The different approach to Iceland showed that Washington understood that Iceland was holding new cards.

In his speech in Rovaniemi, Secretary of State Pompeo had surprised many by announcing that Secretary of Energy Rick Perry would deliver a keynote address at the Arctic Circle in Reykjavik six months later. This was further confirmation of the United States’ renewed interest in the Arctic. Iceland was emerging from the fog of long-standing US disinterest in the region and gaining a new significance with the United States’ reevaluation of the importance of the Arctic in 21st century geopolitics.
1.9 Greenland and the United States

The renewed interest in Greenland was reflected in President Trump's dramatic statement in August 2019 where he expressed interest of the United States in purchasing Greenland. Although the statement was unexpected, it was later confirmed that it was the result of White House discussions on the increased military importance of Greenland. The President's statement put Greenland on the front pages of the world's media and drew unparalleled attention to the country's unique position. President Trump intended to visit Denmark that same summer, and a notable item on his agenda was a bilateral meeting with Kim Kielsen, Prime Minister of Greenland. Up to that point, US authorities had mostly communicated with Greenland through the Kingdom of Denmark. Unfortunately, the President subsequently cancelled the visit and explained in a tweet that the Prime Minister of Denmark "had no interest in discussing the purchase of Greenland ..." 39

In the summer of 2019, John Bolton, the President's National Security Advisor, issued a historic statement on Twitter following a meeting at the White House with Carla Sands, the US Ambassador to Denmark, who had been travelling to Greenland for talks with politicians, business leaders and officials. Ambassador Sands' stopovers included a visit to a large mining area for rare earth metals in South Greenland. In his tweet, Bolton stated his meeting with Sands had revolved around stronger economic ties with Greenland, and, notably, he expressed the willingness of the United States to invest in airports and mining research.40 Bolton's tweet can also be related to a more low-key unilateral declaration of intent signed by Under Secretary of Defense for Policy John Rood at Thule Air Base one year before, which stated that the United States intended to "pursue vigorously" investments in airport infrastructure in Greenland that may have dual military and civil purposes in order to enhance US military response and surveillance capabilities.41 The declaration was not widely reported but it was celebrated by Greenlanders.42,43

Six weeks after Bolton's declaration, Thomas Ulrich Brechbuhl, a close advisor of Secretary of State Pompeo and a member of President Trump's inner circle, led a delegation of US officials to Nuuk to discuss increased trade, investment and co-operation in the field of education with Greenlandic cabinet members.44

In the spring of 2020, the United States allocated USD 12.1 million to projects in Greenland, including education projects. At the same time, it was indicated that this was the beginning of a further co-operation. In the US media this was interpreted as a part of a struggle for influence in Greenland between the superpowers.45

The US Government thus used the year 2019 to underline a major change in attitude towards the Arctic region, especially Greenland and Iceland. The government also took the unprecedented step of initiating direct communications with the Greenland Government by opening a diplomatic mission in Nuuk in early summer 2020.46 This indicated a clear understanding of the fact that Greenland was on the path to independence. Although President Trump expressed his interest in Greenland in an unusual manner in the summer of 2019, he is nevertheless the first President of the United States to understand the new geopolitical importance of the Arctic. This will be part of his legacy, whatever else may be said when history passes its judgement.

1.10 Co-operation and External Connections

All indications point to the Arctic becoming a venue for geopolitical competition between the superpowers in this century, as evidenced by Secretary of State Pompeo's outspoken proclamations in Rovaniemi. In the face of a changed situation, the United States has reassessed the importance of Greenland and Iceland in the Western security chain and now regard them as important links, as was the case during the Cold War. Meanwhile, both countries have developed an economic relationship with China and have an opportunity to take part in major infrastructure projects via the Belt and Road Initiative if they so choose. This new situation strengthens the position of the two neighbouring countries, while also making it more difficult to maneuver between the superpowers.

Increased activities, industrial and commercial, seem to be unavoidable in the Arctic region, due to the melting ice. They will create new dangers to fragile ecosystems and living resources. The nations most dependent on the welfare of the Arctic are also the ones for which it is most important to guard the ecosystem of the ocean and fight for sustainable utilisation. They have certain obligations toward both the region’s residents and nature. In view of the opening of the Arctic and political developments already in play, it is logical that Greenland and Iceland increase their co-operation in a systematic manner. They need to stand closer together in the global community. This will strengthen their political position, bring them economic benefits, and make it easier for them to protect together the interests of the Arctic.
One way to secure the position at home is to strengthen available ties with other nations and regions outside the West Nordic region that have demonstrated interest in the developing Arctic. Populous areas with strong links to the Arctic have, in recent years, sought to increase co-operation with the West Nordic nations. These include, for example, Quebec and Nunavut in Canada, the US states of Alaska and Maine, and Scotland. They all have a very strong position in their home countries and have formed ties through the West Nordic Council and the Arctic Circle.

Quebec has formulated a special policy, Plan Nord, for the northern part of the province, which it presented at a special conference in Quebec, held in 2016 in collaboration with the Arctic Circle and opened by President Olafur Ragnar Grimsson. Nunavut is a vast autonomous Inuit territory in Northwest Canada, that wants both more ties with Greenland and stronger relations, via Greenland, with the West Nordic region. There is much interest in Alaska about co-operation with Iceland. One of Alaska’s major investment funds, Pt Capital, is now the majority owner of both an Icelandic telecommunications company and a hotel chain. In recent years, Maine has defined itself as an American trading portal for the Arctic and is connected to the Icelandic Eimskip’s Arctic navigation network and the Royal Arctic Line in Greenland. The government of Scotland, which belongs to the neighbouring area of the Arctic region, has expressed its interest in co-operation with the West Nordic

Region at the Arctic Circle, and recently set out a detailed policy outlining Scotland’s goal of becoming mainland Europe’s gateway to the Arctic. Scottish Prime Minister Nicola Sturgeon has, like many Scottish leaders, attended the Arctic Circle Assemblies more than once. For various reasons, North Norway would be at home in such an extended family in the future. Even in Ireland, there is now talk of taking part in Arctic co-operation through neighbouring countries in the West Nordic region.

In light of this, it is time for Iceland, in consultation with the other West Nordic countries, to activate the capabilities and interest of these countries in a joint venue. It is ideal to prepare for the formal establishment of such a network in connection with the next Arctic Circle in Reykjavík (see 8.18).

1.11. Mutual Benefits

The importance of both Greenland and Iceland has increased in the new geopolitics of the Arctic. Greenland’s unique position is a complex one. In the Arctic, the country is of great importance due to its enormous size, its geographical location, unique and unspoilt nature, valuable minerals and energy sources. Greenland’s position is de facto unique in that it is the only indigenous Arctic nation that has gained actual sovereignty and managed to preserve and strengthen its native language. The fact that the Greenlandic nation aims for independence increases the country’s importance. For these and various other reasons, co-operation with Greenland is desirable for many nations.

Iceland’s strength is due to its position on the new Arctic shipping routes, its highly developed infrastructure and, not least, its proximity to Greenland. Iceland is already an important gateway between Greenland and the outside world. A third of Greenland’s air transport is via Iceland, and in 2020 the countries became interlinked in a new maritime transport network in the Arctic. Iceland is close enough to provide services, particularly for East and North Greenland, and is important for projects in those areas in the future. The proximity is therefore a strength for both countries in the eyes of the outside world.

Greenland and Iceland have great mutual interests in ensuring that Arctic resources are utilised in a sustainable manner and that the global community takes strong measures to combat climate change. The countries also share major interests in key areas such as transport, tourism, fisheries and energy.
Geographically, the countries are a stone's throw away from each other and there is mutual understanding, friendship and respect between them. Close co-operation is therefore likely to have a synergistic effect in many areas and bring both economic and political benefits as well as strengthen the position of both countries vis-à-vis the outside world.

One of the conclusions of this report is that although the relationship between Greenland and Iceland is characterised by mutual good will, communications between the nations are not sustained in a systematic manner. An Icelandic Prime Minister, for example, has not visited Greenland since 1998. There are key Icelandic state institutions in areas of common interest that have little or no connections with their counterparts in Greenland. There are historical explanations for this, but addressing and improving this state of affairs is long overdue. The countries need to work systematically on improving their co-operation, most importantly in areas where future disputes may arise, e.g. fishing or air traffic. At the crossroads that seem ahead in the Arctic, it seems rational and logical for Iceland and Greenland to make strong bilateral ties a priority in their foreign policies, both for the short and the long term. To that end they should map out in a systematic manner how they want to see future co-operation develop.

This report, prepared on the initiative of the Minister for Foreign Affairs, presents numerous ideas for closer co-operation between Greenland and Iceland. The objective is to increase practical co-operation and solidarity in the fields of the economy, politics, administration, science, research and innovation, culture and sports, as well as increased grassroots communications via NGOs. The ideas take note of both the weaknesses and the strengths of the countries and emphasise the clear synergistic effects of increased co-operation. The objective is for the countries to strengthen each other and work together on the welfare of the Arctic. With well developed co-operation, Greenland and Iceland can take on a position and importance beyond their size and become leaders in important, well-defined areas that greatly matter, such as the sustainable use of resources and environmental protection.

Greenland is on a determined path towards independence. The Althing has, on behalf of Iceland, declared its full support for the steps Greenlanders have taken on this journey. It is not a question of if but of how and when independence will be achieved. Iceland has both interests and obligations in this development. Greenlandic independence will undoubtedly be advantageous for Iceland, and there will be increasing mutual benefits with closer co-operation between the states. The obligations arise from the fact that Icelanders have valuable experience of how a small nation in the Arctic builds a state on the basis of her own language, culture and resources, and with her own people. A nation on the road to independence needs support and powerful allies. Greenlanders can benefit from the experience of Icelanders. Stronger ties will form a channel to share these experiences until full independence is achieved.
References


5. IMO’s International Code for Ships Operating in Polar Waters (Polar Code) is mandatory under both the International Convention for the Safety of Life at Sea (SOLAS) and the International Convention for the Prevention of Pollution from Ships (MARPOL). The Polar Code covers the full range of design, construction, equipment, operational, training, search and rescue and environmental protection matters relevant to ships operating in the inhospitable waters surrounding the two poles. The Polar Code entered into force on 1 January 2017. http://www.imo.org/en/ MediaCentre/HotTopics/polar/Pages/default.aspx


