



*Toward Just, Ethical and Sustainable Arctic Economies, Environments and Societies*

## **Key Challenge 3:** Sustainability and Impact Assessments



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 869327



## KEY CHALLENGES IN SERIES

- Key Challenge 1: EU Arctic Policy and Local Political Ownership in Decision-Making
- Key Challenge 2: EU Climate Change Mitigation Policies
- Key Challenge 3: Sustainability and Impact Assessments
- Key Challenge 4: Social Integration of Extractive Activities
- Key Challenge 5: Land Transport and Connectivity
- Key Challenge 6: Governance of Overlapping Maritime Activities
- Key Challenge 7: Demographic Changes and Outmigration
- Key Challenge 8: Indigenous Peoples and Arctic Governance
- Key Challenge 9: Arctic Scientific Research and Traditional Knowledge
- Key Challenge 10: EU Arctic Governance



## KEY CHALLENGES SERIES AUTHORS

<b>Contributor</b>	<b>Affiliation</b>	<b>Role</b>
Elena Conde	UCM	Lead Author
Valentin Clavé-Mercier	UCM	Lead Author
Belén Requena	UCM	Lead Author
Adam Stepien	LAY	Contributing Author
Tanja Joonas	LAY	Contributing Author
Corine Wood-Donnelly	NU	Contributing Author
Tor Gustav Sigeman	NU	Contributing Author
Roman Sidortsov	UOS	Contributing Author
Hannes Hansen-Magnusson	CU	Contributing Author
Catherine Chambers	SVS	Contributing Author

All Arctic jurisdictions have Environmental Impact Assessments (EIA) in place to evaluate and ensure the sustainability of certain economic activities deployed in the region. Additionally, the EU has developed its own legislation, guidelines and standards regarding environmental and strategic assessments. These establish a series of minimal standards as well as when an EIA is required and when member states have discretion regarding said requirement. On top of concerns for environmental impacts, the EU directives concerning EIA highlight the weight of cultural significance in nature protection as well as the need for public participation in assessment processes. However, several issues are still challenging and could be improved within this framework.

First, there is a need to better define the concept of “significant impact” that is often used in a broad sense in national and EU directives. What is the threshold for an impact being “significant”? To whom has it to be significant? According to which value system in a context where several value systems coexist (including Indigenous ones)? Similarly, many national regulatory frameworks lack a common and accepted definition of what sustainability – is also increasingly used as a framework for assessing diverse impacts in an integrated manner – means, especially in regards to the exploitation of finite resources. As a supra-national entity and given the weight of its environmental agenda, the EU could act as an advocate and/or arbitrator for sustainability and just transition and lead the way on these issues. Initial steps have already been taken through the adoption of

the EU taxonomy for sustainable activities and investments and the establishment of the European Investment Bank sustainability standards. Secondly, the national assessment frameworks operating in the Arctic generally lack a sustained consideration of social impacts on top of environmental ones. Specific social impact assessments are usually not required or are prescribed only to a limited extent in the European Arctic (except Greenland), especially when compared to North American regulatory framework and practice. However, the need to address how economic activities deployed in the Circumpolar North affect vulnerable groups was ranked high in the actions that JUSTNORTH Arctic stakeholders wanted to see taken.

Finally, some stakeholders have expressed doubts regarding the potential to genuinely pursue justice given that impact assessments are normally conducted by the project’s proponent or by a consulting company. Public bodies generally carry out strategic assessments, although often also by the means of contracting consulting companies. In either case, stakeholders see signs of bias towards certain actors or collectives and towards the generation of economic profit over other considerations<sup>4</sup>. Within JUSTNORTH case studies, some Greenland residents for instance expressed a lack of trust in the Government’s capacity to protect local values in the case of the Kuannersuit rare earth and uranium mine project. In spite of received negative assessments, the project was granted approval from the authorities in 2020 (before its later suspension due to the change in government). Power imbalances are also observable in the

---

<sup>4</sup> Timo Koivurova and Pamela Lesser, Environmental Impact Assessment in the Arctic: A Guide to Best Practice (1st edn, EEP 2016).

capacity of the general public to influence and participate in assessment processes compared to companies or national bodies. For instance, in Norway, the 2008 Planning and Building Act establishes that municipalities can choose to ignore impact assessments. This veto power leads to injustice issues when not every social group is well represented by the

municipal authorities and some stakeholders and rightsholders' voices may be therefore effectively ignored. Unequal power relations also exist in the consideration that traditional and scientific knowledge respectively receive in assessment processes.



# RECOMMENDATIONS

**R1** Provide an overarching provision for what “significant impact” and “sustainability” mean, especially in terms of community investment or other principles for just transition

**R2** Strengthen already existing practices and guidelines regarding EIA and advocate for mandatory social impact assessments

**R3** Consider delegating the assessment processes to independent actors

## Risks, Challenges and Barriers to Implementation and Effectiveness

Difficulty to define social impacts in a way that will be acceptable and accepted by the different Arctic stakeholders and their varying interests and values (R1).

The EU's Taxonomy Regulation has been criticised for overlooking social impacts. Efforts should be made to refine the regulation in order to include them (R1).

Mandatory social impact assessments would mean an increase in administrative and implementation costs (R2; R3).

If assessments are deemed too demanding and restrictive by economic actors, these may end up driving economic opportunities away from the region (R2; R3).

## Opportunities and Facilitators for Implementation and Effectiveness

The already existing EU's Taxonomy Regulation could be used as a basis for overall guidelines providing a set of criteria to assess the sustainability of economic activities (R1; R2).

There is increasing know-how, methodologies and expertise available to conduct social impact assessments. There is also willingness on the side of many international companies to carry out such assessments and some private sector actors already do it on a voluntary basis in jurisdictions where legal requirement does not exist or is very limited (R2; R3).

These policy orientations and recommendations would lead to improvement in regard to the following justice considerations:

- In terms of procedural justice, ensuring that impact assessments are conducted by independent actors would likely enhance the fairness of the process and the adequate consideration of different voices and interests.
- Reinforcing compliance with existing guidelines and regulations in the development of impact assessments should contribute to reaching a more equitable distribution of benefits and burdens for local communities. Making them mandatory would similarly be a strong step towards distributive justice.
- An overarching definition of “sustainability” or “significant impact” may help in identifying damaging practices or activities and thus potentially bolster reparation and compensation processes which are key to restorative justice.





# Integrated Arctic Policy Analysis Report and Recommendations - Key Challenges



UPPSALA  
UNIVERSITET



UNIVERSIDAD  
COMPLUTENSE  
MADRID



Michigan  
Technological  
University

**UAB**  
Universitat Autònoma  
de Barcelona



UNIVERSITY  
OF SUSSEX



NORD  
University



Adrian Fisk



WESTERN NORWAY RESEARCH INSTITUTE  
VESTLANDSFORSKING  
www.vestforsk.no



LAPIN YLIOPISTO  
UNIVERSITY OF LAPLAND



University College Cork, Ireland  
Coláiste na hOllscoile Corcaigh



WAGENINGEN  
UNIVERSITY & RESEARCH



[WWW.JUSTNORTH.EU](http://WWW.JUSTNORTH.EU)



[@JUSTNORTH\\_EU](https://twitter.com/JUSTNORTH_EU)



[JUSTNORTHEU](https://www.youtube.com/justnortheu)



[JUSTNORTH@ires.uu.se](mailto:JUSTNORTH@ires.uu.se)



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 869327

