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► The Geopolitical and Geo-economic Aspects of Italy's Arctic Strategy

- As great powers competition is accelerating in the Arctic, striking a new balance between Arctic states' sovereign interests and external actors' security and economic concerns is a key challenge.
- Italy's Arctic Strategy supports Arctic Council centrality and updating the EU Arctic Policy to address new security challenges while balancing environmental priorities with evolving geopolitical realities.
- The Strategy outlines the economic sectors where Italy can play a role: building on technological and industrial know-how, Italy can deepen and expand win-win partnerships with Arctic countries.

In recent years, the evolving international context has fundamentally reshaped the Arctic political landscape across multiple dimensions: geopolitical, military, governance, economic and energy. Growing great power competition has effectively ended the so-called 'Arctic exceptionalism' that characterised the region during and after the Cold War. The cooperative framework that long sustained Arctic governance now appears insufficient, compelling stakeholders to explore new pathways for cooperation and develop alternative diplomatic and political instruments.

The Arctic remains primarily the concern of Arctic states and populations. The effects of climate change on livelihoods and navigation, alongside questions of sustainable natural resource exploitation, directly and profoundly affect Arctic communities. However, new economic opportunities arising from climate change have attracted external actors whose strategic interests in the region continue to expand. Recent developments concerning Greenland illustrate how major powers have demonstrated growing interest in exploiting Arctic resources, at times disregarding territorial integrity, local populations' rights and preferences, as well as established alliances and governance frameworks.¹

Consequently, Arctic issues require a dual analytical perspective: a regional dimension concerning Arctic states and local communities, and an international dimension recognising that Arctic challenges extend beyond the High North

¹ Adams, Paul, "US Allies Won't Forget Trump Greenland Crisis", in *BBC News*, 22 January 2026 <https://www.bbc.com/news/articles/cj3vv1kv1rdo>.

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with significant global implications. This duality was recently reinforced by Finnish President Alexander Stubb and Norwegian Prime Minister Jonas Gahr Støre, who emphasised the Arctic's cultural and historical significance to their nations while simultaneously acknowledging its geostrategic importance to NATO and European security.²

A key challenge for the region is therefore balancing Arctic actors' sovereign rights and priorities with external players' legitimate interests, ensuring that non-Arctic participation in governance, energy and security matters respects Arctic prerogatives. Among non-Arctic countries, Italy has a positive track record in engaging with local stakeholders and addressing issues cooperatively. Italy's updated Arctic Strategy, published in January 2026,³ seeks to navigate this balance by maintaining core strategic objectives while adapting Italy's Arctic engagement to reflect the transformed geopolitical landscape.

A national strategy rooted in multilateralism

The Italian document pursues this approach, explicitly stating that Italy will advance its Arctic objectives while acknowledging the limitations it faces as a non-Arctic state. Italy prioritises environmental preservation, sustainable use of natural resources and the advancement of scientific research, leveraging its historical ties and expertise. While reaffirming these longstanding goals, the strategy acknowledges that the Arctic security dimension now requires heightened attention due to recent developments. This reference may potentially extend beyond Russia's invasion of Ukraine, which endangered multilateral governance structures and signalled a more aggressive posture, to encompass other emerging threats. Although not explicitly mentioned, recent statements from the United States administration regarding Greenland and the sovereignty of Denmark, a NATO ally, pose a fundamental challenge to the transatlantic partnership. Particularly noteworthy is the document's affirmation of Italian support for the European Union's role in the Arctic and for Arctic EU member states.⁴ As a matter of fact, Italian Arctic policies need to keep their focus on regional actors, but also align with a broader European approach to the region.

In fact, one of the document's most significant elements is its unwavering support for international law and multilateral forums in addressing Arctic issues. The strategy specifically underscores the Arctic Council's strategic role in defusing conflicts, moderating political and strategic differences, and advancing shared objectives. However, this emphasis is especially significant given that the Council's centrality within Arctic governance has been questioned following Russia's war against Ukraine and the subsequent suspension of cooperation with Moscow. The emphasis on international law, combined with respect for local populations' traditions, habits and practices, suggests an alternative approach to Arctic governance, one that contrasts

² Stubb, Alexander and Jonas Gahr Støre, "Why the Arctic Is Important for Allied Security", in *Financial Times*, 26 January 2026, <https://www.regeringen.no/en/id3147583>.

³ Italian Ministry of Foreign Affairs et al., *Italy Arctic Policy. Italy and the Arctic: The Values of Cooperation in a Rapidly Changing Region*, January 2026, https://www.esteri.it/wp-content/uploads/2026/01/WEB_strategia-artica-italiana_ENG_16012026.pdf.

⁴ Ibid., p.20.



» Italy's updated Arctic Strategy declared support for updating and strengthening the EU Arctic Policy

with the assertive (and at times aggressive) postures recently adopted by the United States and historically pursued by Russia.

A second key element is Italy's declared support for updating and strengthening the EU Arctic Policy, last revised in 2021. This position is particularly significant and timely given the evolving international context. In an increasingly contested Arctic, where the EU confronts the Russia-China nexus and can no longer rely on an unquestioned transatlantic alliance, a revised EU strategy is more urgent than ever. The 2021 document was drafted in a completely different geopolitical era: before Russia invaded Ukraine, when relations with Moscow, though troubled, remained functional, and cooperation with Washington continued despite strains during the first Trump Administration. That document focused primarily on environmental issues, scientific research and energy transition, with only a vague reference to regional security dimensions. Indeed, it reflects a geopolitical reality that no longer exists: today, the United States questions Denmark's sovereignty, resource extraction is framed without adequate consideration for sustainability or indigenous rights, and Russia and China openly pursue military, economic and maritime objectives in the region.

EU institutions have recently announced the initiation of a policy renewal process,⁵ which should continue recognising NATO as a fundamental partner for regional security while simultaneously strengthening ties with like-minded partners such as Norway, Canada and Iceland.⁶ Although Italy is not an Arctic state, its economic interests, historical presence in the region and traditional commitment to multilateral cooperation and diplomacy position it to play a valuable role in supporting Brussels' new approach toward the High North.

Reconciling economic opportunities with sustainability and local needs

Beyond governance and security considerations, Italy's updated Arctic Strategy also addresses the economic and energy dimensions of Arctic engagement, where Italian expertise and industrial capacity may offer concrete contributions to regional development and address climate change. Indeed, the effects of climate change generate unprecedented economic opportunities; however, they also trigger competition among countries hence requiring careful assessment and diplomatic efforts. The economic opportunities and objectives are shaped by the evolving geopolitical landscape.

The Strategy outlines the key economic areas where Italy can play a role, notably shipbuilding, energy – both fossil fuels and minerals – and space among others. Concerning shipbuilding, Italy can work with partners to develop advanced and sustainable maritime transport, thanks to its industrial players. There has been growing interest in the maritime opportunities around Arctic routes. However, countries and companies need to catch up in building Arctic-

⁵ European Union External Action, *Arctic State of Affairs: Keynote Speech by HR/VP Kaja Kallas at the 2026 Arctic Frontiers Conference*, 3 February 2026, https://www.eeas.europa.eu/node/460635_en; Pugnet, Aurélie and Nicoletta Ionta, "Von der Leyen Calls for EU Defence Funds to Boost Arctic Security", in *Euractiv*, 20 January 2026, <https://www.euractiv.com/?p=2352072>.

⁶ Cinciripini, Luca and Pier Paolo Raimondi, "EU-NATO Cooperation in the Arctic Region: Climate, Energy and Security Challenges", in *IAI Papers*, No. 25 | 28 (November 2025), <https://www.iai.it/en/node/21038>.



» Italy's updated Arctic Strategy also addresses the economic and energy dimensions of Arctic engagement

dedicated ships, such as icebreakers. In this sense, the Icebreaker Collaboration Effort (ICE) Pact, consisting of a trilateral partnership between the US, Canada and Finland, is quite noteworthy.⁷ At the same time, Italy may be concerned about faster development around the Arctic routes. Indeed, the economic potential of the Arctic maritime routes would also demand some geostrategic consideration. The potential rise of Arctic routes may reduce the relevance of other traditional routes, hence ports such as those in the Mediterranean. Despite some concerns, Arctic routes will require massive investments in related infrastructure, especially in Canada's Northwest Passage, and drastic improvements in the political relationship between the EU and Russia, in the case of Russia's Northern Sea Route.

Another area of great interest is the vast energy resources located in the Arctic, a key factor driving growing international interest. In 2008, the US Geological Survey assessed the great potential of hydrocarbon resources in the region. Nonetheless, the actual development of these resources depends heavily on policy frameworks and market developments. The latter concerns market fundamentals, such as global demand and price volatility. Projects have been delayed or cancelled in years characterised by low oil prices (2014-2020). However, it is the former (policy framework) that can potentially affect even more business decisions. Each Arctic country has pursued different approaches that can attract (or not) investments in capital-intensive hydrocarbon projects. For example, Norway – a key contributor to Europe's energy security – remains committed to oil and gas exploration, while Canada issued a moratorium on exploration introduced in 2016.⁸ In this context, the deep energy relationships between Italy and Norway have grown over the years.

Moreover, Italy can also collaborate with Arctic communities for the development of sustainable energy. For example, geothermal is explicitly cited in the Strategy as a main area for deeper cooperation with Arctic countries. A positive example is the memorandum of understanding signed with Iceland in 2024, building on respective technological know-how and expertise.⁹ Indeed, Italy and Iceland are the European frontrunners in geothermal. This approach can be replicated with other Arctic countries in favour of innovation and sustainable solutions for local communities.

Lastly, the Strategy broadly mentions the critical raw materials (CRMs) and the Arctic potential despite the latest geopolitical developments around the Arctic involving these strategic minerals. Without CRMs, strategic industries, like digital, clean tech and military, cannot thrive. Moreover, CRMs have become a key battleground of geopolitical and geoeconomic competition among great powers. Furthermore, countries have attempted to redesign global mineral supply chains as they increasingly take into consideration the geopolitical risk, given the high geographical concentration and China's dominant role along the value chain. In this effort, derisking and diversification are crucial for economic

⁷ US Department of Homeland Security website: *Icebreaker Collaboration Effort (ICE) Pact*, <https://www.dhs.gov/ice-pact>.

⁸ Raimondi, Pier Paolo, *The Role of the Arctic in Russia's Energy Strategy: Features, Objectives and Perspectives following Russia's War in Ukraine*, Rome, IAI, February 2024, <https://www.iai.it/en/node/18085>.

⁹ Italian Embassy in Norway and Iceland, *Islanda. L'Italia all'Assemblea annuale dell'Arctic Circle 2024. Firmato di un MoU sulla cooperazione nel settore geotermico*, 18 October 2024, <https://amboslo.esteri.it/it/?p=4022>.



» The Italian government has been working with several Arctic countries to enhance mineral supply chains

and energy security. As Arctic ice melts, the Arctic mineral potential draws inevitably growing interest from countries and companies, as highlighted by the developments around Greenland. It is estimated that the Arctic holds several mineral resources; however, actual mapping and exploration activities will define how much the Arctic could actually contribute to global mineral markets. Currently, the Arctic accounts for more than 10 per cent of global production for only three critical minerals: platinum, palladium and nickel.¹⁰ For other minerals, the Arctic plays a very limited role due to high costs, challenging operational environment, lack of infrastructure and human capital.

Despite the Strategy does not address CRMs in depth, the Italian government has been working with several Arctic countries to enhance mineral supply chains. For example, Italy has increasingly enhanced its cooperation with Canada. The two countries signed a Joint Statement on CRMs in 2024¹¹ and expressed their commitment to deepen political cooperation at the bilateral level, following the Italy-Canada Roadmap for Enhanced Cooperation.¹² In 2025, they formally launched the Canada-Italy bilateral Energy Dialogue, serving as a coordination mechanism to advance shared energy and natural resources priorities. At the same time, Italy is committed to continuing to expand existing relationships with other traditional Arctic partners, like Norway, with a Joint Statement on CRMs.¹³ These initiatives are certainly rooted in a broader European diplomatic effort with Canada and Norway to offset fragmentation and insecurity jointly. Indeed, the EU has revitalised the EU-Canada relationship with the Strategic Partnership Agreement and EU-Canada Green Alliance, as well as expanded its energy and political ties with Norway. Alongside bilateral relations, Italy seeks to address security concerns through multilateralism and in international fora, such as the G7 Critical Minerals Action Plan, launched in 2025.¹⁴ In October 2025, Canada announced the first round of 26 new measures and strategic projects with nine allied countries, including Italy, under the Critical Minerals Production Alliance to unlock 6.4 billion dollars to accelerate the development of CRMs supply chains.¹⁵ Building CRMs value chains in the Arctic will require a comprehensive approach and permanent political dialogue with partners, while embracing local needs and environmental sustainability. This approach is indispensable, and it is acknowledged by the Strategy, which stresses the importance of sustainable economic partnerships and actions in favour of the local population, about 4 million people, who are at the frontline of the effects caused by climate change.

¹⁰ Andrews-Speed, Philip, "Can the Arctic Be a Significant Contributor of Critical Minerals for the Global Energy Transition?", in *OIES Papers*, No. SP 36 (February 2025), <https://www.oxfordenergy.org/?p=48273>.

¹¹ Canada and Italy, *Joint Statement on Critical Minerals and Critical Raw Materials Cooperation*, Rome, 10 October 2024, <https://www.canada.ca/en/natural-resources-canada/news/2024/10/joint-statement-on-critical-minerals-and-critical-raw-materials-cooperation.html>.

¹² Italy and Canada, *Italy-Canada Roadmap for Enhanced Cooperation*, Apulia, 15 June 2024, https://www.governo.it/sites/governo.it/files/Roadmap_ITA_CAN-G72024.pdf.

¹³ Norway's Ministry of Trade and Industry and Italy's Ministry of Enterprises and Made in Italy, *Joint Statement on Cooperation in the Field of Critical Raw Materials*, Tromsø, 5 May 2025, https://www.regjeringen.no/contentassets/7321d3c8a53642349c00dc0ed20e3f02/skann_nfd7076_2025-05-06-150146.pdf.

¹⁴ G7, *G7 Critical Minerals Action Plan*, Kananaskis, 17 June 2025, <https://www.g7.utoronto.ca/summit/2025kananaskis/250617-critical-minerals.html>.

¹⁵ Canada, *Canada Unlocks 26 New Investments and Partnerships with 9 Allied Countries to Secure Critical Minerals Supply Chains*, 31 October 2025, <https://g7.canada.ca/en/news-and-media/news/canada-unlocks-25-new-investments-and-partnerships-with-9-allied-countries-to-secure-critical-minerals-supply-chains>.



Looking ahead

The new Italian national strategy illustrates the relevance of Arctic affairs also for non-Arctic countries. Italy has built extensive relationships with countries in the region, leveraging on scientific research, industrial know-how and shared values. The new global environment induces Italy to foster and enhance deeper collaboration on strategic topics with Arctic countries and engage proactively with the region – despite its distance. The Italian position must align with and can enrich the broader European approach to the region. Furthermore, it will be crucial to ensure constant and consistent political coordination with all stakeholders in order to translate the national strategy into reality. This is particularly true in light of the unprecedented challenges triggered by global competition and transatlantic tensions.

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