Globalization has also altered the exercise of state sovereignty, partly through the development of a web of legally binding multilateral agreements, informal arrangements and institutions. In the past, much of Canada's attention to northern foreign relations has focussed on threats to sovereignty. Time has changed the nature and implication of those threats — co-operation has largely overshadowed boundary disputes in the North. Public concern about sovereignty issues has waned, but Canadians still want their governments to enforce their laws and regulations concerning the management of the North.

To meet new transborder challenges and further promote co-operation, we will need to intensify dialogue with existing organizations that undertake common action, such as the United Nations (UN), the North Atlantic Treaty Organization (NATO) and the Organization for Security and Cooperation in Europe (OSCE). We must also ensure that the Arctic Council effectively complements other initiatives under way within the circumpolar region (in particular, the Nordic Council, the Barents Euro-Arctic Council, the Council of Baltic Sea States), and with the EU's own Northern Dimension Action Plan. Further, we must develop new approaches to deal with issues such as human security and the threats to individual safety and well-being posed by an increasing number of transnational problems. In this regard, the peoples of the circumpolar region are particularly vulnerable.

In this situation, Canada needs to bring a comprehensive northern dimension to its foreign policy. To be effective, the new policy must be an integral part of Canada's broader foreign policy, and must also be reinforced by domestic policies. A comprehensive approach will lead to greater coherence and co-ordination between federal departments and agencies having a stake in the development of the circumpolar region.