REPORT OF SENIOR ARCTIC OFFICIALS TO THE ARCTIC COUNCIL

IQALUIT NORTHWEST TERRITORIES (NUNAVUT) CANADA

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to
THE ARCTIC COUNCIL
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PART I. IMPLEMENTING THE DECLARATION ON THE ESTABLISHMENT OF
THE ARCTIC COUNCIL

A. INTRODUCTION: THE BRIDGE FROM ROVANIEMI TO IQALUIT

In June, 1991, in Rovaniemi, Finland a worthy and far-sighted course of Arctic cooperation was set with the adoption of the Arctic Environmental Protection Strategy (AEPS) by the eight Arctic governments. Three organizations, the Inuit Circumpolar Conference, the Saami Council and the Russian Association of the Indigenous Peoples of the North, Siberia and the Far East of the Russian Federation, were invited to join the AEPS as Permanent Observers, later to be known as Permanent Participants, as referred to under the terms of the Declaration on the Establishment of the Arctic Council, signed in Ottawa, Canada, in September 1996. This path of circumpolar environmental co-operation evolved through ministerial meetings in Nuuk, Greenland, September, 1993; Inuvik, Canada, March, 1996 to Alta, Norway, June, 1997.

The Declaration created the Arctic Council as a high level forum to:

- provide a means for promoting cooperation, coordination and interaction among the Arctic States, with the involvement of the Arctic indigenous communities and other Arctic inhabitants on common Arctic issues, in particular issues of sustainable development and environmental protection in the Arctic;

- oversee and coordinate the programs established under the AEPS on the Arctic Monitoring and Assessment Program (AMAP); Conservation of Arctic Flora and Fauna (CAFF); Protection of the Arctic Marine Environment (PAME); and Emergency Prevention, Preparedness and Response (EPPR);

- adopt terms of reference for, and oversee and coordinate a sustainable development program; and

- disseminate information, encourage education and promote interest in Arctic-related issues.
The category of Permanent Participant was created to provide for active participation and full consultation with the Arctic indigenous representatives within the Arctic Council.

At the Alta meeting, the AEPS process was included in the Arctic Council so as to preserve and build upon the environmental protection objectives.

The Senior Arctic Officials (SAOs) are pleased to present this Report for the consideration of Ministers at the First Ministerial Meeting of the Arctic Council.

B. TASKS ASSIGNED BY THE ARCTIC COUNCIL DECLARATION

There have been nine meetings of SAOs and Permanent Participants since the inauguration of the Arctic Council in 1996. The Declaration provides that the Arctic Council, as its first order of business, should adopt Rules of Procedure for its meetings and those of its working groups.

SAOs are pleased to recommend to the Arctic Council for consideration and adoption, the Arctic Council Rules of Procedure (ANNEX 1) which were adopted ad referendum by Senior Arctic Officials in Ottawa on February 4, 1998, following extensive discussions.

The Declaration called for the adoption of terms of reference for a sustainable development program.

SAOs are pleased to recommend to the Arctic Council for consideration and adoption, the Arctic Council Terms of Reference for a Sustainable Development Program (ANNEX 2) which were adopted ad referendum by Senior Arctic Officials in Ottawa, Canada on February 5, 1998.

The Declaration provides that the Arctic Council is to oversee and coordinate the sustainable development program and programs established under the Arctic Environmental Protection Strategy: the Arctic Monitoring and Assessment Program; Conservation of Arctic Flora and Fauna; Emergency Prevention, Preparedness and Response; and Protection of the Arctic Marine Environment.

SAOs are further pleased, therefore, to provide for the consideration of Ministers their recommendations in this regard which are set out in Part II of this Report, together with a description of program activities.

C. PARTICIPATION IN ARCTIC COUNCIL

The members of the Arctic Council are: Canada, Denmark, Finland, Iceland, Norway, the Russian Federation, Sweden and the United States of America.
The Permanent Participants to the Arctic Council are: the Inuit Circumpolar Conference, the Saami Council and the Russian Association of Indigenous Peoples of the North.

The Declaration on the Establishment of the Arctic Council provides for admission of additional Permanent Participants. SAOs are pleased to recommend that the Arctic Council approve the Aleut International Association as a Permanent Participant in the Arctic Council.

The Declaration also provides that Observer status in the Arctic Council is open to: (a) non-Arctic states; (b) inter-governmental and inter-parliamentary organizations, global and regional; and (c) non-governmental organizations; that the Council determines can contribute to its work.

SAOs note that with the adoption of the Arctic Council Rules of Procedure, the following accredited Observers to the Arctic Environmental Protection Strategy are accorded Observer status under the Arctic Council:

- Federal Republic of Germany;
- The Kingdom of the Netherlands;
- Poland;
- United Kingdom of Great Britain and Northern Ireland;
- Nordic Council;
- Northern Forum;
- United Nations Economic Commission for Europe (UN-ECE);
- United Nations Environment Program (UNEP); and
- International Arctic Science Committee (IASC).

SAOs are pleased to recommend that the following additional organizations also be accorded Observer status under the Arctic Council:

- World Wide Fund for Nature (WWF)
- Standing Committee of Parliamentarians of the Arctic Region (SCPAR)
- International Union for Circumpolar Health (IUCH).

SAOs are encouraged by the participation of observers in meetings and activities to date.

Applications for Observer status were also received from the following organizations:

- Inter-governmental and inter-parliamentary organizations, global and regional:
  - North Atlantic Marine Mammal Commission (NAAMCO)

- Non-governmental organizations

- Advisory Committee on Protection of the Sea (ACOPS)
• Circumpolar Conservation Union (CCU)
• Circumpolar Universities Association (CUA)
• High North Alliance (HNA)
• International Work Group for Indigenous Affairs (IWGIA)

SAOs regretted that a final decision had not yet been reached on the applications of these organizations. Some delegations regretted in particular that the application for observer status from the intergovernmental organization, NAMMCO, founded by countries that are also members of the Arctic Council, had not yet been approved, and announced their intention to withhold consideration of others until that organization was admitted, in accordance with the Rules of Procedure. Some delegations regretted that certain NGOs, which are making, or could also make, a contribution to the work of the Arctic Council, would not be admitted at this time.

SAOs recommend that all applications for observer status continue to be reviewed with the view to recommending applicants for approval at the next Arctic Council Ministerial in 2000.

PART II.  ARCTIC COUNCIL PROGRESS AND FUTURE ACTIONS

Highlights of Arctic Council achievements and proposed activities are found below and further details are set out in the ANNEXES to this Report.

A. SUSTAINABLE DEVELOPMENT PROGRAM

The goal of the sustainable development program of the Arctic Council is to propose and adopt steps to be taken by the Arctic States to advance sustainable development in the Arctic, including opportunities to protect and enhance the environment, and the economies, cultures and health of indigenous communities and of other inhabitants of the Arctic, as well as to improve the environmental, economic and social conditions of Arctic communities as a whole.

SAOs received the following sustainable development proposals from Arctic States and Permanent Participants: The Future of Children and Youth of the Arctic: Health of Children & Youth and Sustainable Development Knowledge & Learning (Canada); A Strategic Approach to Managing Sustainable Development (Canada); Technology Transfer Project to Improve Arctic Sanitation and Energy Systems (U.S.A.); Arctic Telemedicine Project (U.S.A.); Arctic Cultural and Eco-Tourism Project (U.S.A.); The Arctic in National Sustainable Development Strategies (I.C.C.); Economic Rent from Natural Resources Development (I.C.C.); Indigenous Peoples and Natural Resource Use and Management (I.C.C.); Freshwater Fishery Management in the Barents Region (Saami Council); Comparative Analysis of Coastal Fishery Management Systems in Norway, Greenland & Canada with Reference to Sea Sami, Co-management and Traditional Ecological Knowledge (Saami Council).
SAOs are pleased to recommend to Ministers the establishment of a Sustainable Development Program. SAOs have reviewed sustainable development proposals from Arctic States and Permanent Participants in the areas of Arctic children and youth, health, telemedicine, resource management, including fisheries, cultural and eco-tourism, technology transfer to improve Arctic sanitation systems, and national sustainable development, and recommend that the SAOs guide the completion of work on proposals in these areas and encourage that funding be sought so that projects can be initiated as quickly as possible before the next Ministerial meeting.

SAOs recommend that the Arctic Council accept Canada’s offer to take the lead with respect to the projects on Arctic children and youth, and to provide staff support; the United States of America’s offer to take the lead with respect to the projects on telemedicine; and the Saami Council’s offer to take the lead with respect to the two fisheries management projects.

SAOs recommend that Canada and AMAP cooperate in reviewing of knowledge on the impacts of environmental contamination on the health and development of children and youth, under the direction of the SAOs.

To further the goal of the Sustainable Development Program, the SAOs recommend the establishment of a Sustainable Development Working Group, comprised of SAOs and Permanent Participants, or their designated representatives, which will meet prior to the SAOs' regular meetings, or at other times to be determined, and recommend that it facilitate completion of work on sustainable development proposals identified above, propose possible priority areas in the further development of the sustainable development program and review specific proposals and prepare them for approval by the Ministers.

The SAOs further recommend that this Sustainable Development Working Group take special note of proposals which reflect the importance of traditional and indigenous knowledge and the perspectives of indigenous communities in developing a sustainable future for the Arctic.

In addition the SAOs bring to the attention of the Arctic Council the statements and recommendations of the Third Conference of Parliamentarians of the Arctic Region held April 22-24, 1998 in Salekhard, Russia, and of the Summary Report of the Circumpolar Conference and Workshop on Sustainable Development in the Arctic: Lessons Learned and the Way Ahead held May 12-14, 1998 in Whitehorse, Canada, as well as the Experts Workshop on Sustainable Development in Northern Timberline Forests, May 10-11, 1998 in Whitehorse, Canada, and recommend that Ministers request SAOs to consider the recommendations in the development of project proposals and future activities of the sustainable development program.

Some Arctic States and Permanent Participants would welcome a strategy for sustainable development in the Arctic, and for that purpose a set of criteria for selecting the most relevant activity areas and joint projects of common Arctic interests; however, agreement could not be reached among SAOs on this approach at this time. SAOs are prepared to continue their general discussions on this matter in order to propose possible priority areas and specific proposals for
the consideration of Ministers at the next Arctic Council Ministerial meeting.

**B. ARCTIC MONITORING AND ASSESSMENT PROGRAM (AMAP)**

**Introduction**

Since its establishment in 1991, the principal task for AMAP was the preparation of an assessment of the state of the Arctic environment with respect to persistent organic pollutants (POPs), radionuclides, heavy metals and acidifying substances. It also covered pollution issues associated with petroleum hydrocarbons, climate change, ozone depletion and UV-radiation. The scope of the monitoring and assessment programme embraces sources of pollution, both within the Arctic region and at lower latitudes, pathways of pollutant transfer to and within the Arctic, levels and trends, fate of pollutants, and their effects on Arctic ecosystems and human populations.

**Progress Report**

The AMAP assessment has been presented in two reports. “Arctic Pollution Issues: A State of the Arctic Environment Report” (SOAER), that was introduced at the 4th AEPS Ministerial Meeting in 1997, is a comprehensive summary of the AMAP assessment. It is based on “AMAP Assessment Report: Arctic Pollution Issues” (AAR), a fully referenced scientific report on the AMAP assessment, that is available to the Arctic Council Ministerial Meeting in Iqaluit in September, 1998.

At Alta, Ministers welcomed with appreciation the SOAER report and committed to take its findings and recommendations into consideration in their policies and programmes. The 4th AEPS Ministerial Conference extended the AMAP mandate and endorsed continuation of activities for monitoring and data collection, establishment of databases on sources, and collection and exchange of data on impacts. These activities support the further assessment of source-receptor relationships, pathways and effects of contaminants, effects of increased UV-B radiation due to stratospheric ozone depletion, and effects of climate change on Arctic ecosystems. The Ministers emphasized that special attention is required on human health impacts, and the combined effects of multiple stressors.

AMAP is currently working on the detailed content of the AMAP Work Plan for the period 1998-2003. The Work Plan (ANNEX 3) was presented to the SAO Meeting in Whitehorse, 9-11 May, 1998, and accepted at that time. Following this Plan, the expert teams from the participating countries have updated the AMAP core monitoring programmes from the 1st phase and further developed the monitoring sub-programmes for the priority pollutants. The resulting updated AMAP monitoring programme is designed by the AMAP working group to address the new requests from the Ministers, and together with the future National Implementation Plans.
(NIPs) for AMAP it will become an integral part of the AMAP Work Plan.

To ensure continuity of data series that are vitally important for assessment of time trends, the participating countries have continued implementation of relevant parts of the AMAP core monitoring programme through 1997-1998.

Future Activities

In the Work Plan for 1998-2003, special attention is focused on filling gaps in data and information that are identified in the AMAP assessment reports, and on establishing, in close collaboration with AMAP participating countries and Permanent Participants, observing countries and international organizations, and other programme areas of the Arctic Council, appropriate systems for observing spatial and temporal trends, and effects studies, for example:

- Establishment of a limited number of key monitoring areas to provide comprehensive long-term monitoring data in the circumpolar context, together with integrated studies of atmospheric, freshwater and terrestrial environment and ecosystems, and human health;

- Establishment of new stations for monitoring of long-range transport of POPs and mercury;

- Establishment of a marine programme, with special focus on food-webs;

- Monitoring of the effects of pollutants on human health of Arctic populations, especially in the northern Russia, is being expanded;

- A new programme on effects studies in relation to climate change and UV-B is under development in close cooperation with CAFF and several international organizations;

- A new programme addressing combined effects between pollutants (and other stressors), with special focus on marine environment, is under development together with several international organizations;

- An updated programme on radioactivity will focus more on the terrestrial environment than the previous programme, and deal with some new issues of concern.

Following the request of the Alta Meeting to develop/expand the compilation of human health data, an AMAP human health thematic data centre will be established by Denmark. Within the existing data centres, special attention will be paid to improving data accessibility to the participating parties, and increasing the efficiency of its use in the assessment process.

Preliminary discussions are under way between the AMAP Board and the Working Group on Effects under the LRTAP Convention regarding a close collaboration on effect monitoring.
Development of pollution source inventories and assessment of sources of Arctic pollution, both within and outside the Arctic, with special attention to compilation of PCB sources in the Russian Federation that can impact the Arctic, are considered priorities.

Additional Future Activities

Following the decisions of the Alta Ministerial Meeting, AMAP will not produce a new comprehensive assessment within the next five-year period, but will focus on production of a limited number of assessment reports on specific pollution issues that will be presented to forthcoming Ministerial and SAO meetings. Assuming that necessary resources are made available for both monitoring and assessment work, the AMAP Board has prepared the following tentative plan for assessment reports during the next five years:

- An assessment of the situation regarding TBT in the Arctic;
- Updated assessment report on levels, trends and effects of POPs, heavy metals and radioactivity;
- Updated report on pollution effects on human health;
- Updated report on oil and PAHs in the Arctic environment;
- A first report of effects due to climate and UV-B changes;
- A first report on combined effects of multiple stressors on Arctic ecosystems and human health.

In addition, AMAP and the Permanent Participants are preparing a comprehensive proposal on “Indigenous Peoples, Food Security and POPs in Arctic Russia” for the consideration by the Global Environmental Facility.

C. CONSERVATION OF ARCTIC FLORA AND FAUNA (CAFF)

Introduction

CAFF was established under the AEPS in 1991, as a “distinct forum for scientists, indigenous peoples and conservation managers engaged in Arctic flora, fauna and habitat related activities to exchange data and information on issues such as shared species and habitats and to collaborate as appropriate for more effective research, sustainable utilization and conservation.” In 1997 the Ministers welcomed the Co-operative Strategy for the Conservation of Biological Diversity in the Arctic Region (1997) and noted the intention of CAFF to give it effect through the
development of a long-term action plan. The Ministers further directed CAFF to:

- continue the implementation and further development of the *Circumpolar Protected Areas Network Strategy and Action Plan* (CPAN);

- assist countries with the implementation of the *International Murre Conservation Strategy and Action Plan* and the *Circumpolar Eider Conservation Strategy and Action Plan* as needed;

- finish ongoing projects as feasible and appropriate;

- outline ideas and proposals regarding the sustainable use of Arctic renewable resources.

**Progress Report**

SAOs are pleased to recommend to the Arctic Council, the *CAFF Strategic Plan for the Conservation of Arctic Biological Diversity* as a framework for CAFF activity. The *Strategic Plan* incorporates *inter alia* ideas and proposals for sustainable use of Arctic renewable resources.

Since Alta, one new protected area has been established and another expanded in Russia, bringing the total size of Arctic protected areas to approximately 2,227,000 km². CAFF is currently analysing gaps in habitat protection in the Russian Arctic and preparing a paper on legal and policy mechanisms to protect marine areas in the circumpolar Arctic. Senior Arctic Officials are pleased to recommend to the Arctic Council that CAFF continue coordinating the implementation of CPAN and encourage CAFF to focus its efforts on the protection of habitats and ecosystems that are currently under-represented in CPAN.

Five-year National Implementation Plans for the murre and eider Strategies will be completed in the fall of 1998 and spring of 1999. A number of projects are underway in support of the murre strategy and similar efforts with respect to eiders will be considered in due course. Senior Arctic Officials encourage CAFF to continue coordinating the implementation of the murre and eider strategies and to consider similar strategies for other species of common conservation concern.

Senior Arctic Officials received with appreciation the following completed reports of CAFF:

- *An Atlas of Rare Endemic Vascular Plants of the Arctic* which identifies and maps rare plant species of the circumpolar Arctic. As only 30% of these species are under some form of legal protection, this information will be useful in selecting new protected areas.

- A report on *Incidental Take of Seabirds in Commercial Fisheries in the Arctic Countries*. It reviews the state of knowledge and notes that by-catch is generally poorly regulated, considered a serious conservation issue in several Arctic countries, and that, more
information is needed to fully assess the scope of the problem.

- A report on *Human Disturbance at Arctic Seabird Colonies* notes that colony disturbance is generally regulated and not considered to be a major concern for Arctic countries at present.

- *A Global Overview of the Conservation of Migratory Arctic Breeding Birds Outside the Arctic* which demonstrates that the 279 arctic-nesting species migrate to all regions and virtually all major ecosystems of the world during the boreal winter. Hence their conservation is a global issue requiring a high level of co-operation.

The SAOs request CAFF to respond to the recommendations contained in these reports as appropriate.

**Future Activities**

Following Ministerial endorsement, the SAOs recommend that the *Strategic Plan* be implemented through more detailed Work Plans, to be approved by SAOs, to include ongoing activities and new initiatives. The Work Plans should prioritize the following activities in support of CAFF’s five program objectives:

- With respect to monitoring of Arctic biological diversity, to develop a circumpolar program to monitor biological diversity and, in collaboration with AMAP, to assess the effects of climate change and UV-B on Arctic ecosystems.

- With respect to species and habitat conservation, to continue coordinating implementation of the murre and eider strategies and development of the Circumpolar Arctic Vegetation Map, and to identify additional priority conservation issues of common concern.

- With respect to protected areas, to continue coordinating the implementation, development and assessment of CPAN through emphasis on habitats and ecosystems presently under-represented and by identifying options for enhancing the protection of marine habitats in collaboration with PAME.

- With respect to biodiversity conservation outside protected areas, to prepare an overview of the current status and in changes to Arctic ecosystems, habitats and species.

- With respect to integration of biodiversity conservation objectives into economic sectors, to provide information on biological diversity to the appropriate decision makers and relevant economic sectors.

The CAFF’s Strategic Plan is ANNEX 4 to this Report.
D. EMERGENCY PREVENTION PREPAREDNESS AND RESPONSE (EPPR)

Introduction

EPPR was established by the Declaration on the Protection of the Arctic Environment in June, 1991, in Rovaniemi, Finland, under the AEPS to provide a framework for future cooperation in responding to threats of environmental emergencies.

In the Alta Declaration, the Ministers endorsed the following tasks under EPPR:

- the continuation of activities to identify means of improving emergency prevention, preparedness and response, in particular the development of an action plan for source control to meet risks identified, the development of a Field Guide for Arctic Oil Spill Response and a Strategic Plan of Action for this program area.

- the continued analysis and maintenance of a comprehensive overview regarding the adequacy and effectiveness of international agreements, measures and guidelines, and the analysis of accident notification systems to identify gaps and improve existing arrangements.

Progress Report

The EPPR working group has prepared a Strategic Plan of Action as was requested at the Alta Ministerial Meeting. The plan consists of two parts: a Strategic Plan and a Work Plan. The Strategic Plan includes inter alia descriptions of the goal, mandate and objectives of the EPPR working group. The Work Plan contains a description of activity areas, information on existing projects and activities and possible future projects and activities. The Strategic Plan of Action is ANNEX 5 to this Report.

The EPPR working group has produced a Field Guide for Oil Spill Response in Arctic Waters. The Field Guide provides practical information on how to deal with oil spills in the Arctic. The publication will be available at the Iqaluit meeting.

The EPPR working group has also updated the Environmental Risk Analysis of Arctic Activities. This Report contains nationally collected information on activities which pose a major risk of accidental pollution in the Arctic area and a general quantification of the risks.

The United States of America and the Russian Federation have conducted a pilot study on Source Control Management and Prevention Strategies for High Risk Activities in the Arctic.
Future Activities

The *Evaluation of the Adequacy of Existing International Agreements and Arrangements* will be finalized in time for the 1999 EPPR working group meeting.

Based on the results of the pilot study on Source Control Management and Prevention Strategies for High Risk Activities in the Arctic, the EPPR working group decided to develop a more precise framework and guidelines for these site specific studies.

The EPPR working group will conduct a new project on the *Circumpolar Map of Resources at Risk from Oils Spills in the Arctic*. Norway is lead country and other Arctic countries are supporting the project financially or in-kind. The project will be carried out in close co-operation with the other Arctic working groups (AMAP, CAFF, and PAME).

Other on-going and future activities of the EPPR working group are described in Part 2 of the *Work plan* in the draft *Strategic Plan of Action for Emergency Prevention, Preparedness and Response Working Group*.

E. PROTECTION OF THE ARCTIC MARINE ENVIRONMENT (PAME)

Introduction

The PAME Working Group addresses policy and non-emergency response measures related to the Protection of the Marine Environment from land and sea-based activities. The measures include coordinated action programmes and guidelines complementing existing international arrangements.

Progress Report

The 1997 Alta Ministers’ Meeting requested PAME to undertake the following work:

- to complete the Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities;
- to report on the application of the Arctic Offshore Oil and Gas Guidelines;
- to continue activities to identify means of preventing or reducing pollution of the Arctic environment through coordinated action programmes and guidelines complementing existing international agreements; and
- to develop a coordinated information system for data collection and analysis of current
and potential shipping activities.

The PAME Working Group:

- has completed the draft final Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities (RPA) (ANNEX 6) and recommends its adoption;

- continues to promote application of the Arctic Offshore Oil and Gas Guidelines and recommends reviewing them in the year 2000;

- continues to review the adequacy of existing international agreements and arrangements and recommends that the 1996 PAME analysis of agreements and arrangements be updated within the next 2-4 years; and

- continues to assess additional information on current and potential shipping activities to assist in determining what if any additional arctic shipping measures are required, including work on an international Code of Safety for Ships Operating in Polar Waters (Polar Code), under the auspices of the International Maritime Organization (IMO).

Regional Program of Action

SAOs recommend that the Arctic Council adopt the Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities (RPA). The RPA supports AMAP’s recommendations on the protection of the marine environment and acknowledges the benefits of taking a phased approach. The RPA can also be viewed as a management framework for improved working group collaboration related to protection of the Arctic marine environment.

The RPA recognizes the benefit of using a phased approach. The initial phase focuses on POPs and heavy metals which present a major pollution threat to the arctic marine environment. In subsequent phases the RPA will address other contaminants and activities which destroy or degrade the marine and coastal environment.

Additional Future Activities

The SAOs recommend that Arctic Council support the PAME proposal to maintain its review of the existing international agreements and arrangements. Within the next 2-4 years the 1996 PAME analysis of the adequacy of existing international agreements and arrangements should be updated.

The SAOs recommend that Arctic Council support the PAME proposal to continue promoting application of the guidelines and reviewing them in the year 2000.
The SAOs recommend that Arctic Council continue to support the proposed PAME work program to determine what if any additional arctic shipping measures are required.

F. ENVIRONMENTAL IMPACT ASSESSMENT (EIA)

Introduction

Following the discussions on EIA in the Arctic at the Second Conference of the AEPS in September 1993, Finland took an initiative to develop Arctic EIA Guidelines in January, 1994.

Progress Report

In June 1997, at Alta, the Ministers of the Arctic states received the Guidelines for Environmental Impact Assessment (EIA) in the Arctic. The idea to set up an electronic exchange of information on EIA in the Arctic to support the guidelines was developed at the meeting of experts on the EIA guidelines at Rovaniemi in 1996. An ad hoc group was formed and it held an electronic meeting.

Activities

The SAOs welcome the idea of setting up and maintaining an Arctic EIA homepage which would help developers, authorities and the public in regular information exchange on Arctic EIA to support the maintenance and improvement of EIA practices in the Arctic and to find information on relevant issues. The SAOs recommend that the Ministers encourage countries to commit themselves to the set-up and maintenance of the homepage and to use the homepage for disseminating information on Arctic EIA activities.

G. OTHER PROJECTS AND INITIATIVES

a. Arctic Council Action Plan to Eliminate Pollution of the Arctic (ACAP)

At the Ministerial Meeting in Alta, the Ministers committed to take the findings and recommendations of the AMAP report into consideration in their policies and programmes. The Ministers agreed to increase their efforts to limit and reduce emissions of contaminants into the environment and to promote international cooperation in order to address the serious pollution risks reported by AMAP, and to make a determined effort to secure support for international action which will reduce Arctic contamination.
In response to the AMAP recommendations and the Ministers commitment, Norway was asked by the SAOs to take the lead in the work to develop the advancement of an overall plan of action and co-operation complementary to existing legal arrangements and the Regional Program of Action with regard to pollution prevention and remediation of the arctic environment.

The SAOs recommend that this work be continued. The Arctic Council Action Plan to Eliminate Pollution of the Arctic (ACAP), should include actions of a wide scope to fully meet the intention of the Alta declaration, also including specific cooperative projects facilitating international actions and/or accession of relevant states to international agreements. Such projects could be technology transfer/assistance and development of alternatives to selected hazardous substances being used today. The experience and results should be reported to the Arctic Council.

SAOs recommend that the Arctic Council support a three-part cooperative pilot project for the phase out of PCB use, and management of PCB-contaminated wastes in the Russian Federation, as an example of a cooperative project under ACAP, and endorse Part I of the PCB project. SAOs recommend the encouragement and support of AMAP in its activities to complete Part I of this Project which has financial and other support from all Arctic States.

This may serve as an example of a cooperative initiative under ACAP in an important area of acute concern and in the spirit of the Alta Declaration. Another example is a Swedish project, in the context of UNEP, investigating alternatives to POPS.

A plan of action under the Arctic Council could act as a strengthening and supporting mechanism for national actions, and cooperative actions could make an important and significant contribution to the overall international effort to reduce environmental damage on a global level. An Arctic Council plan of action could also motivate other states or regional fora to initiate similar actions.

Remediation of environmental risks that threaten the Arctic environment and the health of the local, particularly indigenous, inhabitants, needs co-operative action by all the Arctic States at the global, regional and national level.

Because of the wide range of pollution issues, including health risks, the process of identifying and initiating appropriate actions should be a continuous activity under the Arctic Council, and be carried out in a phased process. It will be important to prioritize between the various issues of concern and be selective on the actions initiated in order to develop an operative document.

The SAOs recommend Norway take the lead in cooperation with other Arctic states and the Permanent Participants in developing the plan. SAOs will review the plan
and may recommend it to the next Arctic Council Ministerial meeting for approval.

b. University of the Arctic

We have received the report entitled “With Shared Voices-Launching the University of the Arctic” prepared by a working group of the Circumpolar Universities Association. The University will consist of a consortium of institutions of higher education, cooperating to provide programs according to their own unique strengths. These programs will be available throughout the arctic circumpolar world. The initiative has been conceived and driven by the aspirations of those whom it will serve. The working group of the Circumpolar Universities Association intends to follow a phased approach. This will enable an initially small group of institutions to cooperate in offering a seed curriculum, which can be expanded in later phases. It will also enable continuation of essential consultations with northern educational and indigenous authorities and colleges.

The SAOs welcome the work of the Circumpolar Universities Association and bring it to the attention of the Arctic Council Ministers.

c. The Multilateral Cooperative Pilot Project for phase-out of PCB use, and management of PCB-contaminated wastes in the Russian Federation

In recommending the Multilateral Cooperative Pilot Project for phase-out of PCB use, and management of PCB-contaminated wastes in the Russian Federation to Ministers, the SAOs acknowledge with appreciation this project, which is based on an initiative from the United States. It is one of the first practical steps in follow-up of the AMAP documentation concerning PCB problems in the Arctic and northern environments and responds to recommendations for remedial actions from the 4th AEPS Ministerial Meeting in Alta, Norway. Part I of the project has received financial and technical support from Arctic States and is aimed at assisting Russia in managing its PCB wastes and in joining the efforts of the other member states of the Arctic Council to facilitate development of a legally-binding international global agreement to ban the most toxic POPs, including PCBs.

d. Proposal Regarding Mercury

The AMAP report has documented that mercury has increased in Arctic areas over the last 100 years. Many Inuit in Greenland and North East Canada have an intake of mercury above recommended daily intake set by the World Health Organization.
AMAP will continue to clarify the situation regarding levels, effects, sources and transport mechanisms related to mercury in the Arctic. In this connection, we note that the Arctic RPA developed by PAME refers to assessing “the need to examine the modalities of global action on mercury reduction.”

e. Northern Timberline Forest Workshop

A workshop on Sustainable Development in the Northern Timberline Forests was organized by the Finnish Forest Research Institute and Finnish Ministry of the Environment in Whitehorse, Canada on May 10-11, 1998. This meeting was held to promote international discussion among experts in relation to guiding, measuring and developing common criteria for defining, sustainable development in northern timberline forests.

Recommendations were made for common actions by the Arctic States concerning the definition of timberline forests, ecological criteria and indicators; threats and human impacts; protection; forest management; traditional knowledge and scientific research; and reindeer and caribou. The proceedings of the Workshop will be published by the end of 1998 and distributed to the Arctic Council.

PART III. IMPLEMENTATION OF ACTIVITIES

A. FINANCIAL and ADMINISTRATIVE MATTERS

a. AMAP

The operational cost of the AMAP Secretariat is approximately 430,000 USD per year. Norway has secured the core funding of the Secretariat since 1991. The total cost of operating the five thematic data centres (TDCs) in 1999 is approximately 130,000 USD, of which funding has been secured from several sources.

Contributions from some Arctic countries and the Nordic Council of Ministers has been secured to ensure involvement of Permanent Participants and scientific experts at AMAP meetings, and to perform special tasks and ensured support to environmental and human health studies in Russia.

Since the Ministerial meeting in Alta, the AMAP Secretariat has been organized as a Foundation under Norwegian law. There have been no further substantial changes in the organization of the AMAP Secretariat.
During its first phase, AMAP established close cooperations with several international organizations, especially aimed at achieving cost-effective cooperation in fields of relevance to different international agencies. This cooperation has been extremely important for AMAP, as it has provided AMAP with input for its assessment and has provided input to the work of other organizations. This strategy will be continued and further developed in the future work to achieve both a greater harmonization of work and to avoid duplication of effort.

Since 1991, Norway has provided the main funding for the AMAP Secretariat. Some countries and international organizations have provided additional funding to the Secretariat to secure financing of common costs such as the Thematic Data Centres (TDCs) and assessment report production. Financial needs for 1999 are covered under AMAP in Part II of this Report. To date, the financing of AMAP monitoring assessment activities has mainly been covered by in-kind contributions from participating countries, and also by financial support from some Arctic countries and international organizations, especially the Nordic Council of Ministers (NCM).

b. CAFF

To date, CAFF initiatives have been funded through voluntary contributions of the Arctic countries and through the support of non-governmental organizations and observers. The future scope of activities will be contingent on the resources available to the program.

Iceland has increased its cash contribution to the Secretariat and is now covering approximately 50% of an estimated $220,000 annual budget. The remaining 50% is voluntarily cost-shared among the Arctic countries in accordance with the agreement from Inuvik, 1996. The U.S.A. seconded a wildlife biologist to the CAFF Secretariat for a three-month period in the spring of 1998 and Finland has provided an expert on polar affairs for one year beginning in August 1998.

c. EPPR

Since the SAO meeting in Ottawa in 1997, Finland took over from Sweden as the overall lead country for the EPPR working group. The EPPR chair country has financed the secretariat support functions. Finland’s contribution to the EPPR secretariat function is approximately 150,000 FIM (30,000 USD).

The resources of the EPPR working group are limited and the projects are normally conducted by a lead country. When funding is needed, the costs have usually been divided among the member countries. Therefore, only a certain number of projects can be carried out simultaneously. The costs of the preparation of the Field Guide (125,000 CD) was divided among the Arctic countries. The same co-financing approach will be applied when
preparing the circumpolar map and the estimated costs are 50,000 USD.

d. **PAME**

The RPA can be initiated with existing resources. Many of the longer term proposals (e.g. Assessments, guidelines, etc.) can be funded through the lead country approach. Concrete steps to remediate major pollution sources will, however, require major investment. In this regard, the Arctic Council should support a partnership conference to facilitate implementation of the Russian NPA-Arctic and the RPA which would be hosted by the Russian Federation with the assistance of the Advisory Committee on Protection of the Seas (ACOPS). Leverage through such partnerships with international funding institutes and programmes avoids needless duplication and address the limited capacity of direct funding commitments by the Council.

The PAME work program, in particular the proposed RPA, involves increased secretariat demands. It is estimated that the cost will be approximately 150,000 USD. Iceland has kindly offered to host the PAME secretariat on a voluntary funding basis, assuming half the costs.

e. **EIA**

The setting up, updating and maintaining the Arctic EIA homepage system during the 4-year period will take place at the Arctic Centre, Rovaniemi, Finland. This includes, that the Arctic Centre sub-contracts the GRID Arendal in Norway for the technical Web space maintenance of the homepage during 1998-2002. The development work and maintenance of the homepage will be jointly financed by all Arctic countries.

**B. GENERAL FINANCING MATTERS**

An issue which continues from the AEPS process into the Arctic Council is the provision of sufficient financing by Arctic states to existing and future programs, specifically secretariats, and also to Permanent Participants. A paper on financing was presented to SAOs in Whitehorse in May, 1998. This paper was directed at responding to the recommendations from the *Fourth Ministerial Meeting under the Arctic Environmental Protection Strategy* in Alta Norway, June 12 - 13, 1997, and provided a summary of the background and review, together with SAO directions/actions required.

Council had been prepared under the AEPS process. The first provides options in developing a framework for common cost sharing, based on mandatory contributions supplemented by voluntary contributions; the second deals with mechanisms and external institutions to finance projects; and the third deals with the participation of Permanent Participants in the Arctic Council. Some Arctic states support the findings in these reports, in respect of the funding of working group secretariats, the types of mechanisms for possible funding, and the funding of Permanent Participants. To date there has not been any action on any of the major recommendations of these studies.

Currently, projects and programs undertaken by the Arctic Council are financed on a voluntary basis in accordance with agreed Rules of Procedure. The provision of mandatory funding by Arctic states for the support of program secretariats and Permanent Participants has been debated. However, there remain significant issues with respect to funding other Arctic Council activities.

To summarize, the significant issues raised are:

- Will the member states agree to mandatory funding for program secretariats and Permanent Participants, either directly or to a Trust Fund?
- If there is consensus for mandatory funding, on what model should it be based?
- If there is no mandatory funding for the secretariats and Permanent Participants, how should the financing of secretariats and Permanent Participants be ensured?

C. ORGANIZATION

Although the transition of the AEPS programs into the Arctic Council is now underway in accordance with the Arctic Council’s Rules of Procedure and Terms of Reference on the Sustainable Development Program, there are some organizational issues on the work of the Arctic Council that have to be addressed. A paper was presented to SAOs in Whitehorse in May, 1998, which was based primarily upon the recommendations from the Fourth Ministerial Meeting under the Arctic Environmental Protection Strategy in Alta Norway, June 12 - 13, 1997. The paper provided a summary of the background together with SAO directions/actions requested in some of the organizational issues listed below:

- Concerning the work of the Arctic Council, all Arctic Council working groups, task forces or other subsidiary bodies will prepare and carry out programs and projects under the “guidance and direction” of SAOs who will be directly responsible to ministers. Although existing Working groups have directions from the Ministerial Meetings in 1991, 1993, 1996 and 1997, these will now have to be consistent with the Rules of Procedure and Terms of Reference on the Sustainable Development Program.
• Concerning the effective integration of sustainable development and environmental protection objectives and the incorporation of both scientific advice and traditional knowledge, these principles will become the standard operating procedures in any activity undertaken by the Arctic Council.

• Concerning the need to have appropriate ministers attend Arctic Council meetings dealing with specific issues, it will be the responsibility of the Arctic states to ensure that appropriate ministers attend.

• Concerning the establishment of appropriate secretariat support, the following scenarios could be considered: the continuation of existing secretariats; one common secretariat for all previous AEPS Working Groups; restructuring of present secretariats; Arctic States to provide voluntarily secretariat support; Arctic Council Secretariat to support all or some of the existing and new secretariats; or any combination of the above-mentioned alternatives.

• Concerning the special role and important contribution of the Arctic indigenous inhabitants in the AEPS and Arctic Council processes, an effective mechanism for balanced participation in the Arctic Council activities can only be addressed by the provision of sufficient financial resources by the Arctic states, as noted in Part III, Section 3.5 of the Draft Discussion Paper on Financing of Arctic Council Activities, dated April 22, 1998.

Norway initiated a discussion on possible national reporting on actions to follow-up Arctic Council recommendations and commitments, and SAOs agreed to consult with their governments on the need for developing such a reporting procedure. SAOs agreed to report on the progress of these consultations at the next SAO meeting. Norway offered to provide a brief discussion paper to suggest approaches which could be taken, to assist the SAOs in their consultations.

D. RELATIONSHIP TO OTHER INTERNATIONAL FORA

The SAOs recommend that the Arctic Council Ministers emphasize the need for the Arctic Council and its programmes to cooperate closely with existing organizations such as Barents Euro-Arctic Council, the Nordic Council of Ministers, and other appropriate fora, including scientific bodies.
PART IV. ADMINISTRATION

A. NEXT HOST COUNTRY

SAOs acknowledge with appreciation Canada's role in chairing the Arctic Council since its inauguration and for hosting the first Ministerial Meeting of the Arctic Council;

SAOs recommend that the Arctic Council accept the offer of the United States of America to chair the Arctic Council, and to host the second Ministerial Meeting of the Council in 2000.

B. INDIGENOUS PEOPLES' SECRETARIAT (IPS)

The Indigenous Peoples' Secretariat (IPS), which was continued under the framework of the Arctic Council by Declaration on the Establishment of the Arctic Council, has provided wide-ranging assistance to the Permanent Participants to facilitate their participation in Arctic Council activities.

IPS has received contributions to the operations of the Secretariat from the governments of Denmark, Canada and Greenland. Denmark has expressed the need for other donor governments to contribute to the operations of IPS beyond 1998, where their own funding obligations expire. The budget estimate made for IPS for 1999 is 429,000 USD.

A recent updated review of the paper on Financing Indigenous Peoples' Participation in the Arctic Council was presented by IPS to the governing board of IPS on the costing of its operations under the Arctic Council. The Terms of Reference of the Sustainable Development Program shows that the Program will involve additional work and activities for the Permanent Participants where the need of assistance from the IPS will be enhanced. The same review also mentions the enormous resources involved in engaging in the work of Traditional Knowledge.

The IPS noted its heavy burden on translating Arctic council documents and proceedings, and requested more resources for the translation of the Arctic Council documentation.
ANNEXES TO SAO REPORT

ANNEX 1: Arctic Council Rules of Procedure

ANNEX 2: Arctic Council Terms of Reference for Sustainable Development Program


ANNEX 4: CAFF Strategic Plan

ANNEX 5: EPPR Strategic Plan

ANNEX 6: PAME: Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities (RPA)