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The end of the polar night in Tromsø brings spectacular colors to the sky // Photo: Arctic Council Secretariat / Linnea Nordström
Foreword

It is with great pleasure that I present the fourth annual report of the Arctic Council Secretariat (ACS). 2016 was another good year for the development and the activities of the ACS. The ACS continued to strengthen its capabilities and build up its institutional memory in order to serve the Arctic Council in the best possible manner for the foreseeable future. The establishment of the ACS has helped to strengthen the Arctic Council, and the fact that the Indigenous Peoples’ Secretariat (IPS) is now a part of the ACS has further added to the supportive capacity of the ACS.

During 2016, as in previous years, the ACS enjoyed good support from our hosts, the Government of Norway. It has been encouraging for our work to feel the strong emphasis that Norway has put on making the ACS a success. We also received strong support from the United States Chairmanship, and I must also mention the invaluable support we received from the Kingdom of Denmark and from Finland through their secondments of staff for the ACS.

The ACS enjoyed excellent cooperation with the U.S. Chairmanship team in 2016. Working with the U.S. has been rewarding for the ACS, and some of the new tasks given to the ACS have been new challenges that have helped us to grow and develop. We also began to work with Finland to prepare for the next Chairmanship of the Arctic Council, which looks extremely promising.

I would like to thank the U.S. Chairmanship team and, in particular, the Chair of the Senior Arctic Officials, Ambassador David Balton, for their great cooperation with, and support of, the ACS. It has been a great pleasure to work with the U.S. Chairmanship and follow their excellent leadership in the Arctic Council.

I also want to thank the Working Group Chairs and executive secretaries for their good cooperation with, and support of, the ACS in carrying out many of the tasks given to us by the Chairmanship and the Senior Arctic Officials during 2016.

Last, but not least, I want to thank my colleagues in the ACS for their tireless efforts in serving the Arctic Council. With their dedication, professionalism, and passion for the Arctic Council’s work and goals, the ACS was able to deliver excellent service and support in 2016.

Tromsø, April 2017
Magnus Johannesson
Director
Sled dogs waiting their turn to run in Fort Yukon, Alaska. // Photo: Arctic Council Secretariat / Linnea Nordström
Abbreviations

ACAP .......................... Arctic Contaminants Action Program (1 of 6 Working Groups)
ACS ............................. Arctic Council Secretariat
AMAP ........................... Arctic Monitoring and Assessment Programme (1 of 6 Working Groups)
CAFF ............................. Conservation of Arctic Flora and Fauna (1 of 6 Working Groups)
EG / EGs ........................ Expert Group(s)
EGBCM .......................... Expert Group in Support of Implementation of the Framework for Action on Black Carbon and Methane
EPPR ............................ Emergency Prevention, Preparedness, and Response (1 of 6 Working Groups)
IPS ................................. Indigenous Peoples’ Secretariat
IT ................................. Information technology
OAR ............................... Open Access Repository
PAME ............................. Protection of the Arctic Marine Environment (1 of 6 Working Groups)
PP / PPs .......................... Permanent Participant(s)
SAO / SAOs ..................... Senior Arctic Official(s)
SAOC .............................. SAO Chair (Chair of the Senior Arctic Officials)
SCTF .............................. Task Force on Enhancing Scientific Cooperation in the Arctic
SDWG ............................. Sustainable Development Working Group (1 of 6 Working Groups)
TF / TFs .......................... Task Force(s)
TFTIA ............................. Task Force on Telecommunications Infrastructure in the Arctic
TFOPP ............................ Task Force on Arctic Marine Oil Pollution Prevention
TFBCM ........................... Task Force for Action on Black Carbon and Methane
WG / WGs ........................ Working Group(s)
Introduction

This report gives an account of the activities of the Arctic Council Secretariat (ACS) for the year 2016. This was the fourth year of operation for the ACS, and 2016 represents the first year of the biennial work plan for the ACS for 2016-2017 that was approved by the Arctic Council in April 2015.

The Arctic Council was chaired by the United States in 2016, and the primary work of the ACS during this time was to support the Chairmanship in carrying out their ambitious program for the Arctic Council. Other work included completion of the tasks described in the ACS biennial work plan for 2016-2017, and addressing other emerging requests from SAOs, PPs, and the Chairmanship.

During 2016, the Arctic Council celebrated its twentieth anniversary. To some extent, that significant occasion was reflected in the ACS’s activities. The ACS’s work on communications progressed well, and the use of social media for promoting the work of the Arctic Council was demonstrated to be very successful. Good progress was made on historical archiving and in building the institutional memory of the Arctic Council. Considerable effort was made to improve the Arctic Council’s cybersecurity and to make the ACS’s IT systems as efficient and easy to use as possible. The improvements made will be of great value to the ACS in the future, as IT systems are necessary for most of its tasks. This work could not have been so extensive without special funding from the United States.

On 1 January 2016, the Indigenous Peoples Secretariat (IPS) joined the ACS. Its main task is to support the work of the Permanent Participants (PPs) in the Arctic Council. The ACS also received invaluable support through two secondments, one from the Kingdom of Denmark and another from Finland (in relation to preparations for the upcoming Finnish Chairmanship).

In general, the ACS is comfortably on track with the tasks in its approved work plan for 2016-2017, and expenditures for 2016 were within the approved budget. The same applies to the IPS and its work plan and budget for 2016.
Support for the Arctic Council
uring 2016, the ACS worked closely with the U.S. Chairmanship to support their leadership of the Arctic Council. The ACS also provided support, where appropriate and as directed, to the Arctic States and PPs, as well as to subsidiary bodies (e.g., Task Forces and Expert Groups) and Observers, and acted as the secretariat for the WGs ACAP and EPPR.
General support to the Chairmanship and the Arctic Council

One of the main tasks of the ACS is to assist the Chairmanship in the daily management of the Arctic Council. Between SAO meetings, the work of the ACS includes daily email contact and weekly telephone contact with the Chairmanship to discuss a wide range of topics from meeting preparations to preparation of necessary background information for the Council’s ongoing work.

The cooperation between the “Washington team” and the “Tromsø team” was excellent at all levels in 2016. Where needed and appropriate, the ACS coordinated, collected, and consolidated input to reports and other documents from SAOs, PPs, WGs, Task Forces (TFs), Expert Groups (EGs), Observers, and others. It also maintained many different distribution lists, managed the daily correspondence to and from the Arctic Council Chair email account, and undertook the distribution of reports and documents as needed to the appropriate individuals. As resources allowed, the ACS also provided translation of documents from English into Russian and Russian into English, and provided interpretation during meetings.

In addition, the ACS started discussions with Finland about the upcoming Finnish Chairmanship, and began to offer some support for the Finns’ preparatory work. The incoming Finnish Chairmanship team visited the ACS in Tromsø to discuss future cooperation, and team members from the ACS travelled to Finland to join scouting expeditions to review possible meeting venues and make plans for the different meetings that are being planned for the Finnish Chairmanship period.

Senior Arctic Officials’ meetings

Preparatory work for the March and October 2016 SAO meetings was shared between the ACS and the Chairmanship, working in close cooperation. The ACS provided support in developing agendas, logistics, practical preparations, distribution of SAO meeting documents, and updating the password-protected meeting website designed for the meeting delegates. ACS staff provided logistical and practical support including, inter alia: registration of participants; planning and execution of the meeting itself; hosting of meeting websites; publication of agendas and meeting documents; taking of minutes during meetings; and preparation of meeting reports after the meeting. In addition to SAO meetings, the ACS staff attended and facilitated a total of 11 Task Force/Expert Group meetings (see below).

Arctic Council long-term planning

In accordance with the decision taken at the SAO executive meeting in Fairbanks in March 2016, the ACS compiled and circulated materials to assist in consideration of the development of an overarching strategic plan for the Arctic Council. The work done by the ACS included:

- An overview of guidance on long-term priorities drawn from earlier decisions by the Arctic Council (including the “Ottawa Declaration”, the “Vision for the Arctic”, and other strategic statements or guidance contained in the nine Ministerial declarations);
- An appendix including long-term strategic documents developed by the Working Groups; and
- A summary of strategic planning documents adopted by select international bodies that have developed their own strategic plans or programs.

Observer review

During the year 2016, roughly half of the Arctic Council’s Observers were subject to review. The SAOs tasked a group of “deputy SAOs” and PP representatives to prepare and conduct the review and to produce a proposal/report containing recommendations for the SAOs’ consideration. As instructed by the SAOs, the ACS supported the group of deputy SAOs and PP representatives in this work, and kept in contact throughout the process both with the group and with all the Observers that were reviewed. Among other tasks, the ACS facilitated teleconferences, compiled all the Observer reports as they came in, kept track of submitted materials, and developed a summary of the reports for consideration by the group of deputy SAOs and PP representatives.

Administrative continuity

During its first four-year period in operation, the ACS has continued to gain much valuable experience that will contribute to steady, ongoing improvement of its administrative work. Central to this work is the maintenance of both the internal and external document
archives. Significant efforts went into both the implementation of a new platform for a password-protected area and the completion of as much of the historical archives as possible. Other work described elsewhere in this report – including developing an IT strategy, archiving efforts, staff training, tracking of formal deadlines, etc. – also supported the Arctic Council’s overall administrative continuity.

Communications

The ACS continued and expanded its communications work in 2016, including the preparation of a new communications strategy for the Arctic Council and the ongoing build-out of the Arctic Council library of online resources (photos, documents, et al). It was a successful year for communications, during which the Arctic Council added 280 subscribers to its press-release distribution list, more than 1,250 followers to its Facebook page, and more than 3,000 followers to its Twitter account. The ACS also recorded nearly 100,000 unique visitors to our website, more than 18,000 “mentions” on Twitter, and more than 2,300 unique articles mentioning the Arctic Council in 23 languages.

Russian language services

The ACS provided written translation of meeting documents and selected reports from English to Russian and vice-versa, including:

- meeting documents for SAO meetings in Fairbanks and Portland, including the SAO meeting reports prepared after each meeting;
- all drafts of the “Agreement on Enhancing International Arctic Scientific Cooperation” and other meeting documents for the SCTF;
- documents for the TFAMC meetings;
- AMAP’s summary reports for policy-makers (“Arctic Pollution Issues 2015” and “Arctic Climate Issues 2015”);
- the text of a survey for the external review of SAON;
- CAFF’s AMBI work plan for 2015-2019 and an interview in a video on the State of the Arctic Marine Biodiversity Report;
- fact sheets, project proposals, and meeting documents for the Working Groups ACAP and SDWG.

Furthermore, the Russian version of the Arctic Council website was consistently maintained and updated. The ACS also provided assistance in correspondence and communication with Russian partners. In addition, the Russian language adviser attended a number of Task Force meetings and other Arctic Council meetings (SAO, SDWG) during 2016 in order to provide simultaneous interpretation. Requests for interpretation and translation services from the ACS have been steadily growing. In 2016, ACS compiled an English-Russian glossary of the acronyms and abbreviations related to the Arctic Council’s work.

Overview and coordination of Arctic Council activities

Coordination with Working Group Chairs and executive secretaries

Coordination with the Arctic Council Working Groups is a priority for the ACS. In 2016, the SAO Chair (supported by the ACS) held two breakfast meetings (March 2016 in Fairbanks and October 2016 in Portland) and one teleconference (June 2016) with the Working Group Chairs and executive secretaries. In December 2016, the U.S. SAO Chair, incoming Finnish SAO Chair, and the ACS met with Working Group Chairs and executive secretaries in Copenhagen to discuss 2017-2019 work plans and preparations for the Juneau SAO meeting (March 2017) and Fairbanks Ministerial meeting (May 2017). At the request of the SAOs, a larger process was initiated to get a better overview of the funding of Arctic Council bodies and projects. To work toward this overview, the ACS worked with all the Working Groups and submitted background material to the Chairmanship.

Coordination of teleconferences and videoconferences

The ACS regularly hosts teleconferences and videoconferences both for the Chairmanship and for a variety of Working Groups, Task Forces, and other subsidiary bodies. In 2016 the SAO Chair used this resource to hold virtual meetings both with the ACS and with the Working Groups.

Amarok: the Arctic Council Tracker

In 2016, the ACS continued to work with Working Groups and others to prepare an updated version of the Amarok for each SAO meeting. The ACS requested input from the Working Groups based on their existing entries in the Amarok, then collected any changes, entered them in the database, and prepared an updated version of the database.
The Indigenous Peoples’ Secretariat
Introduction

The Indigenous Peoples’ Secretariat (IPS) was relocated on 1 January 2016 to Tromsø, Norway from Copenhagen, Denmark. The IPS currently has two staff members.

A board of nine members governs the IPS. All six Arctic Council Permanent Participants are board members. In 2016, the board also included representatives from the current Chair of the Arctic Council (U.S.) and the incoming Chair of the Arctic Council (Finland). The ninth board member is the host country of the ACS (Norway). The ACS director is an ex-officio member of the IPS board. The Chairmanship of the board rotates among the PPs. The Chair will preside over the IPS board from one Arctic Council Ministerial meeting until the conclusion of the next. The Gwich’in Council International agreed to serve as IPS board Chair from 2015 through May 2017.
Core IPS activities

The IPS shall support and facilitate the participation of the Arctic Council Permanent Participants (PPs) in their work at the Arctic Council. The IPS shall also provide support functions to the PPs, primarily in Arctic Council activities, and facilitate the presentation of the perspectives of indigenous peoples in the Council’s Working Groups and in meetings of SAOs and Ministers.

In 2016, both the Kingdom of Denmark and Norway provided core funding for IPS activities. In addition, IPS received a grant from the Nordic Council of Ministers to develop an online story map on the PP’s achievements in the Council over the past twenty years. GRID-Arendal contributed with in-kind support to the IPS on this project.

IPS board meetings

The IPS had two IPS board meetings in 2016 (March in Fairbanks, Alaska and October in Portland, Maine). Both meetings were held on the margins of an SAO meeting. The IPS prepared agendas and logistics and made practical preparations for the meetings. The IPS also translated documents into Russian and provided simultaneous interpretation at the meetings. The IPS fundraised to enable a delegate from RAIPON to attend these meetings, and assisted with travel arrangements.

PP caucus

On the margin of the IPS board meeting in Portland, the IPS arranged a PP caucus. These are important meetings in which PPs can discuss, in-camera, common strategies and challenges in the Arctic.

Russian language services

The IPS provided written translations of relevant IPS board documents and documents for IPS projects from English to Russian and vice-versa. The IPS also provided simultaneous translations at IPS board meetings.

The IPS also assisted those PPs that have Russian members with translation. The IPS had close communications with ICC Chukotka, not only in conjunction with the planned meetings, but also on ICC internal matters (logistics and applications, travel planning for ICC Executive Council meetings, translating letters). The IPS had regular Skype meetings with RAIPON’s IPS board member to brief him on ongoing projects in the IPS and the Arctic Council.

IPS communication and outreach

IPS frequently updated its social media accounts and also produced a newsletter. Due to lack of capacity this work could not be followed up as needed.

Representing the IPS

The IPS has been invited frequently to attend and speak at different meetings and events. At these meetings and events, the IPS gives information about the IPS, the Arctic Council, and how the indigenous voice is facilitated in the Council. Only on a few occasions have these invitations been accepted – each time, in agreement with the IPS board. The IPS has attended the following meetings and events:

- Arctic Frontiers (January)
- EU Indigenous Peoples dialogue in Brussels (January)
- Workshop on sustainable development of the Arctic Indigenous Peoples and contribution of Asian states (January)
- Observer to the EU Northern Periphery and Arctic Program monitoring committee (February)
- Arctic Circle Forum Greenland (May)
- CLEO workshop (June)
- Traditional Knowledge-based Innovation in the Age of Climate Change writing workshop (June)
- Roundtable on Arctic Changes – Impacts on local communities and inclusion of indigenous knowledge in the scientific debate (September)
- EU Northern Periphery and Arctic Program annual event in Iceland (September)
- OECD meeting on Indigenous Peoples (November)

Relocation of the IPS office to Tromsø

The formal relocation of the IPS took place in January 2016. From January to July, one staff member worked remotely from Copenhagen. Since August 2016, all of the IPS staff members have been in Tromsø.

The IPS has, together with the ACS, developed new routines for accounting systems and other practical issues such as archiving, IT systems, and general office routines.

Cooperation with Arctic Council Observers

Arctic Council Observers often approach the IPS to learn more about the indigenous peoples’ organizations of the Council. Most of the time, the IPS directs them to the PPs themselves for more information about their (the PPs’) priorities and needs. Occasionally, the IPS takes the initiative to facilitate the participation of PPs in Observers’ events.
In March 2016, the IPS facilitated a meeting with IASC, IASSA, WWF and UArctic. The purpose of the meeting was to exchange views on current interests, common issues, and future plans. A follow-up meeting was held in May 2016. As a result of these meetings, PP representation at the UArctic congress in September 2016 was secured, agreement was reached with ASSW to host a session on Western science and traditional knowledge during the Arctic Science Summit Week (ASSW) 2017 in Prague, and agreement was reached that ASSW/ICARP will have a PP representative.

IPS-led projects

IPS was involved in three main projects in 2016. Details are below.

The Álgu fund

Since 2015, exploring possibilities of establishing an Arctic PP funding mechanism has been a main strategic priority for the IPS board. The IPS facilitated the application process for a grant from the Arctic Funders’ Collaborative. This grant was intended to support the work of establishing the Álgu fund. For practical reasons, the funds were held at GCI, rather than at the IPS itself.

The IPS contracted with the Institute of the North to develop a business plan for the funding mechanism, and implementation of the plan has been the main activity of 2016. The IPS working committee and the contractor had weekly conference calls regarding the project, in which they reviewed the documents from the contractor. Most of the technical parts of establishing the fund were completed in 2016.

The IPS hosted a working meeting in Helsinki in June during which the technical aspects of the fund were discussed. The PPs also agreed that the fund should be named Álgu, which in Sámi means “the beginning.” A second working meeting was arranged in Orono, Maine (U.S.A.) in September. All six PPs attended both meetings. Remaining contributions from a grant from Finland in 2015 were, as agreed with Finland, used to support PP travel to these meetings.

The Álgu Fund will provide stable, predictable, and reliable funding on an equal basis to all those Permanent Participant organizations (which represent indigenous peoples in the Arctic Council) that have chosen to join the fund.

A story map of indigenous peoples at the Arctic Council

The second IPS project is to develop an online story map of the PPs’ achievements in the Arctic Council. The IPS contracted GRID-Arendal to develop the project; GRID-Arendal has also contributed in-kind to the project. The Nordic Council of Ministers funded the project in 2016.

The project “A Story Map of Indigenous Peoples at the Arctic Council” includes two dozen video interviews on the influence that indigenous peoples, in their role as Permanent Participants, have had on the Council’s development. These interviews cover the PPs’ role in international environmental discussions, the importance of Traditional Knowledge, and other issues. The project will showcase the Permanent Participants’ contribution to the 20th anniversary celebrations of the Arctic Council.

IPS Instagram contest

From early September to early November, the IPS received submissions for a social media photography contest with the hashtag #MyIndigenousArctic. The contest encouraged indigenous youth hobby photographers to share glimpses of their communities and everyday life in the Arctic through photos shared mainly on Instagram. This project was undertaken with funds from the ACS budget.

The aim of the project was to engage with Arctic indigenous hobby and youth photographers, increase awareness of the Arctic Council and the role of the Permanent Participants, and gather images and personal stories from people living in the Arctic to share with the world.

In total, 106 photos were submitted to the contest. The photos feature a wide array of subjects such as landscapes, traditional livelihoods, wildlife, portraits, and more. Since early December, the IPS has been gradually re-posting the photos from the IPS Instagram account (https://www.instagram.com/indigenous_peoples_secretariat/) and will continue to do so until the end of February 2017. The contest will be judged on March 5, 50% by Instagram likes and 50% by jury decision. The contest winners will be announced in March 2017, and there will be a digital display of all of the submitted photos at the Fairbanks Ministerial meeting in May 2017.
Internship at IPS

As described in the IPS work plan, internships for indigenous youth are a strategic priority for the IPS. Remaining funds from a grant from Finland in 2015 were used in 2016, as agreed with Finland, to support PP travel and a PP internship at the IPS. The IPS intern worked from the AIA office in Anchorage, Alaska from February to April.

IPS prepared for an internship in Tromsø in early 2017 as part of the partnership with the Labrador Institute International Indigenous Fund supported by the International Grenfell Association.
Secretariat for ACAP and EPPR, and support to other subsidiary bodies
Secretariat for ACAP and EPPR

In 2016, the executive secretary for ACAP and EPPR provided support to, and facilitated the meetings of, ACAP and EPPR. ACAP met twice, in February 2016 in Washington, D.C. and in September 2016 in Krasnoyarsk, Russia. EPPR met twice, in June 2016 in Montreal, Canada and in December 2016 in Copenhagen, Denmark. Reporting and intersessional work for ACAP and EPPR is coordinated by the executive secretary, including communication with the U.S. Chairmanship, coordination with the other Working Groups of the Arctic Council, and completion of additional tasks that are assigned by the director of the ACS.

The support the ACAP and EPPR secretariat provided included: working closely with the ACAP and EPPR Chairs on a daily basis; working with hosts to make logistical arrangements for meetings; distributing and archiving documents as appropriate and as directed by the Chairs; maintaining current distribution lists for the Working Groups and associated Expert Groups; drafting meeting minutes and reports; managing core Working Group documents; assisting in meetings; and maintaining the ACAP and EPPR web pages and Twitter accounts.

ACAP and EPPR have new “visual identities,” approved in December 2016. The ACAP/EPPR secretariat, in cooperation with the communications lead at the ACS, worked with a local design studio in Tromsø to develop a fresh look for both Working Groups that will be used in all electronic and print materials from 2017.

Support to Task Forces and Expert Groups

During 2016, the ACS continued to provide support to, and facilitate the meetings of, the Arctic Council’s Task Forces. In 2016, the ACS supported the following meetings: Scientific Cooperation Task Force (SCTF, two meetings in 2016); Task Force on Arctic Marine Cooperation (TFAMC, three meetings in 2016); and Task Force on Telecommunications Infrastructure in the Arctic (TFTIA, three meetings in 2016). At least one ACS staff member participated in each of these meetings. At the request of the Chairs of the relevant Task Forces, the ACS also provided simultaneous interpretation between English and Russian at several Task Force meetings.

The support the ACS provided includes: working with hosts to make logistical arrangements for meetings; distributing and archiving Task Force documents as appropriate and as directed by the Chairs; maintaining current distribution lists for Task Force materials; drafting meeting minutes and reports; managing core Task Force documents (including translation of those documents and comments into and from Russian); assisting in meetings; and preparing updates on the Task Forces’ work for the Arctic Council website.

During 2016, the ACS also provided secretariat support to, and facilitated the meetings of, the Arctic Council Expert Group on Black Carbon and Methane (EGBCM). In 2016, the ACS supported three EGBCM meetings. The support provided by the ACS to the EGBCM was of the same nature as the support given to the Task Forces.
Communications
2016 was a successful year for the Arctic Council’s communications, in which the Arctic Council website recorded nearly 100,000 unique visitors. In addition, the Arctic Council added 280 subscribers to its press-release distribution list, more than 1,250 followers to its Facebook page, and more than 3,000 followers to its Twitter account. The ACS also recorded more than 18,000 “mentions” of the Arctic Council on Twitter, and more than 2,300 unique articles mentioning the Arctic Council in 23 languages.
Over the course of 2016, the ACS worked in close cooperation with the U.S. Chairmanship to develop the Arctic Council’s communications in many ways, listed below.

- As instructed by SAOs, the ACS worked with the U.S. Chairmanship and the Arctic Council’s communications group during spring and summer of 2016 to prepare an updated communications strategy for the Arctic Council. The updated strategy was approved by SAOs at the October 2016 SAO meeting in Portland, Maine.
- The ACS worked with the Chairmanship and the communications group to prepare and present a set of communications guidelines. These were approved at the Arctic Council’s SAO meeting in Fairbanks, Alaska in spring of 2016.
- The ACS continued to update all ACS-hosted websites and maintain backups to avoid data loss.
- The ACS continued to provide a monthly overview of Arctic Council communications, and deliver it to all States, PPs, Working Groups, and Observers.
- As outlined in the budget for 2016, the ACS and IPS undertook a joint photo project to gather more photos highlighting the Arctic Council Permanent Participants. In addition to travel by the ACS photographer to interview and photograph Permanent Participant delegates, the project also included an IPS Instagram photo contest. The IPS received 106 entries for the contest featuring a wide array of subjects such as landscapes, traditional livelihoods, wildlife, portraits, and more.
- The ACS continued to provide ongoing multilingual media monitoring and deliver a regular newsletter with selected headlines from around the globe.
- In close cooperation with the Chairmanship, the ACS arranged small press conferences with the SAO Chair immediately following SAO meetings. This was in addition to other in-person outreach initiatives targeted to specific scholars, analysts, and journalists.
- The ACS designed and printed a new roll-up and pop-up wall for display at conferences where the Arctic Council is present.

Some highlights:

- The most successful Facebook post on the Arctic Council page during 2016 was the 20th anniversary photograph taken by Linnea Nordström in Fairbanks, Alaska. It was viewed more than 47,000 times, clicked more than 800 times, “liked” 169 times, and shared 59 times. This is the Arctic Council’s most successful Facebook post thus far by a wide margin.
- The most successful tweet from the @ArcticCouncil account during 2016 was a link to the “Arctic Resilience Report”. It was clicked 97 times and retweeted 63 times. The report was also the most popular report in the Arctic Council online library; it was downloaded 5,345 times in 2016.
- The ACS welcomed the Council’s 20th anniversary by setting up a dedicated webpage, creating a 20th anniversary slide show, acquiring a license for the use of an image of the signing of the Ottawa Declaration in 1996, and publicizing the joint statement from Ministers of the Arctic States.
- The ACS purchased the websites arcticcouncil.com and arctic-council.com from other owners, thus protecting the Arctic Council’s brand online.

Website management

The ACS continued to update all of the websites hosted by the Secretariat. This includes the main Arctic Council website (arctic-council.org), as well as the websites for ACAP, EPPR, SDWG, and the Arctic Resilience Report. This work entails ensuring that the supporting architecture of these websites is updated regularly, and as needed.

In addition to regular maintenance, plans have been made to redesign the EPPR and IPS websites during 2017.

Social media

In 2016, the ACS was able to conduct an experiment that demonstrated the great potential of social media for raising general awareness of the Arctic Council’s work. Put briefly, two similar groups of Arctic Council reports in the Open Access repository were created. Reports from one group were promoted via Twitter and Facebook for five months, while reports from the other group were not. On average, reports that were promoted with social media were downloaded an average of 1,353 times during that five-month period. In stark contrast, reports that were not promoted were downloaded an average of only 31 times.

In light of the results of that experiment, it is encouraging to see the growth of the Arctic Council social media accounts during 2016. The distribution list (which any individual can sign up for) for Arctic Council media releases added 280 subscribers (+43%), finishing the year at 937. The @ArcticCouncil Twitter account added more than 3,000 followers (+68%), reaching 7,623 on the last day of the year. The Arctic Council Facebook page added more than 1,250 “likes” (+36%), reaching 4,717 on the last day of the year. In addition, more than 18,000 tweets were sent by other users worldwide that included a mention of the Arctic Council.
Working with external media

In 2016, the ACS continued to build its database of statistics of global media mentions of the Arctic Council. In the course of the year, ACS staff read and tagged 2,365 articles mentioning the Arctic Council in 23 different languages. This number does not include syndications (from wire services like the Associated Press or Agence France-Presse, for example), so the total number of press mentions of the Arctic Council for 2016 is actually much larger.

The ACS also worked closely with the Chairmanship to reach out to journalists – both national and local – who demonstrated an interest in Arctic affairs. Together, the ACS and Chairmanship encouraged such journalists to take part, either in-person or remotely, in press conferences held after each SAO meeting. The ACS also worked with the Chairmanship to pilot a new series of “communicators’ seminars,” small-group and off-the-record conversations with small groups of individuals who were hand-picked for their knowledge of the Arctic Council and their strength in public outreach.

Open Access Repository (OAR)

New documents were regularly added to the OAR following SAO meetings, and at other times by request. Selected documents in the OAR were advertised actively through the Arctic Council social media platforms during 2016 as an experiment. The results showed that promotion via social media can increase downloads of these documents dramatically.

Coordination of the communications group

The Arctic Council’s communications group was critical to the preparation of the 2016 communications strategy for the Arctic Council and to the preparation of the 2016 communications guidelines. Working closely with the U.S. Chairmanship, the ACS helped to coordinate and manage the teleconferences on which these documents were discussed. The ACS and Chairmanship also arranged teleconferences in advance of SAO meetings to discuss media releases and plans for communications activities around SAO meetings.

Other initiatives

The ACS collaborated with the IPS on a photography project during 2016. Part of this project included travel by the ACS photographer to Alaska during October 2016 to interview and photograph Permanent Participant delegates from AIA, AAC, ICC, and GCI. This project will also include a visit to the RAIPON Congress in Salekhard, Russia in March 2017.

Representations of the Arctic Council

The director of the ACS was frequently invited to represent the ACS in different meetings and events. Only a few such invitations were accepted, coordinated in each case with the SAO Chair. During 2016, the ACS also received a fair number of delegations at its offices in Tromsø. These delegations typically asked to hear basic information about the Arctic Council, its priorities, and its current activities. Visits and representations from 2016 are listed in an annex to this report.
Administrative functions
The administrative functions of the ACS worked well throughout 2016. The relocation and integration of IPS required extra efforts to establish routines, work-flows, and other technical and practical arrangements. The technological equipment, hardware, and software mostly worked well, especially after various improvements and updates were made. In terms of human resources, the ACS continued to benefit from a stable and vigorous staff.

Staff of the Arctic Council Secretariat and Indigenous Peoples’ Secretariat, late 2016.

From left to right: Kseniia Iartceva, Linnea Nordström, Magnus Johannesson, Nina Buvang Vaaja, André Skrivervik, Anne Meldgaard, Tom Fries, Patti Bruns, Sólrún Svandal, Iina Peltonen, Alona Yefimenko, Tor Hindberg. Not pictured: Elle Merete Omma. // Photo: Arctic Council Secretariat / Linnea Nordström
Staff recruitment, assessment, development and welfare

In 2016, the ACS had eight staff members on fixed-term contracts. In addition, the ACS greatly benefited from one secondment from the Kingdom of Denmark (Ms. Anne Meldgaard) for the whole year and one secondment from Finland (Ms. Iina Peltonen) from 1 August 2016 onward.

The ACS annual report for 2015 noted that the ACS needed to strengthen its IT capacity and “know-how.” Beginning in August 2016, the ACS was able to offer a short-term contract to a technical officer (Mr. Tor Hindberg), a decision that has had a positive impact on ACS IT systems in terms of capability and efficiency. The administrative officer (Ms. Johanna Hämäläinen) was on maternity leave in 2016, and was temporarily replaced by Ms. Sólrún Svandal. Furthermore, the ACS was able to offer an intern a contract through 31 May 2016.

The IPS relocation began in January 2016, when the IPS executive secretary Ms. Elle Merete Omma moved to Tromsø. She was later joined by Ms. Alona Yefimenko in August 2016. All in all, 15 people were employed at the ACS at some point during 2016.

Appraisal conversations were conducted in May 2016. In general, they continue to show a good work environment and strong team spirit at the Arctic Council Secretariat. Individuals have taken training courses in areas such as graphic design and project management. The annual team day was held on 15 September 2016.

Information technology and equipment

In 2016, much effort went into enhancing cybersecurity and improving the efficiency of the ACS IT systems. Without a generous contribution from the U.S., much of this work would not have been possible. In coordination with the SAO Chair, the ACS decided to recruit a technical officer to help with this work; the technical officer began work in August 2016.

In addition, the ACS developed its own IT strategy in December 2016 (see annex 1).

Services

- ACS employees travel frequently in their work and are often called upon to carry out their duties away from the office. Therefore, the ACS has begun to implement Microsoft Office 365 solutions such as OneDrive and SharePoint for internal use. These solutions will allow employees to access their personal work files from multiple devices and also to easily collaborate on joint ACS documents from outside the office. These solutions also act as a backup to avoid information loss.
- In an effort to further improve the security of the Arctic Council’s password-protected documents, the ACS consulted with the Arctic States and their IT departments on moving the password area pages away from the main Arctic Council website and onto a new dedicated platform. Microsoft SharePoint was chosen as the preferred solution, and the ACS Technical Officer and Website Officer began work to set up and test SharePoint in the final quarter of 2016. This new platform is more secure and user-friendly, and it will also offer tools for online collaboration.
- SuperOffice CRM (customer relationship manager) was updated and migrated to a cloud solution to increase access and simplify management.
- A scheduled review for some of our technical services and suppliers was in progress at the end of 2016, both in preparation for the relocation to Fram II (the new building under construction that will eventually house the ACS) and as a result of upcoming contract expirations.

Equipment

- The installation of large new software programs (e.g., the full installation of eDOCS) showed that the ACS needed to upgrade and/or replace some computers. In addition, new computers and equipment were purchased for recently-hired staff members.
- Thanks in large part to a donation from the U.S., the ACS began the process of standardizing our
staff computers with light, durable, and powerful hybrid laptops that are adapted to current work demands and especially well-suited for travel/mobile work.

- The ACS received a large amount of material for our archive. To streamline archiving and digitization of the material, the ACS invested in an office scanner with optical character recognition.
- New photo equipment and a sound recorder were purchased in order to support multimedia projects in 2016 and beyond.
- A multifunction printer was acquired to serve as a backup printer and to accommodate printing from mobile devices.

Infrastructure

- The ACS’s Internet capacity was increased in response to increasing demand. Growing traffic also required the acquisition of a new firewall.
- The ACS created its own wireless network for staff and guests, replacing a previous network provided by the Norwegian Polar Institute.

Suppliers and agreements / Rent and premises

Agreements and contracts with local providers functioned as intended during 2016. The ACS also continued to rent office space at the Fram Centre from the Norwegian Polar Institute. An adjustment in the rate for this space, in addition to the ACS’s need for additional office space to accommodate new staff members, led to some higher costs for rent than anticipated in 2016. The forecasted relocation to the new Fram II building is still scheduled to take place in the first half of 2018.

Please note: During 2016, Visma Services (which is responsible for payroll and accounting for the ACS) changed its name to Azets.

Status of budget and financial contributions

The 2016 budget for the Arctic Council Secretariat was approved by the Ministers of the Arctic States at the Iqaluit Ministerial meeting in April 2015. The budget for 2016 amounted to USD 1,655,600.

In accordance with the ACS financial rules (article 5.3), a separate call for the host country contribution to the administrative budget was sent to Norway in December 2015, followed by separate calls for contributions to the Arctic States in February 2016.

The financial statements and the external auditor’s report for the ACS’s activities in 2016 can be found in annex 5 to this report. The auditor’s report states: “In our opinion, the financial statements of the Arctic Council Secretariat for the year ended December 31. 2016 are prepared, in all material respects, in accordance with the financial reporting provisions of the Financial Rules of the Arctic Council Secretariat Section 7.”

On 30 September 2016, the ACS received a very generous extra contribution from the United States in the amount of USD 40,038. It was agreed that the main target for these funds would be improving IT security and efficiency at the ACS through measures such as improved Internet capacity, improved wireless networking, new computer hardware, SharePoint training, and the purchase of an archive scanner.

A considerable surplus can be seen in the financial statements for 2016. Similarly to 2015, this is due to the weak Norwegian krone relative to the U.S. dollar. In 2016, the ACS ended up with a total surplus of USD 448,399. In line with the ACS financial rules (article 5.6), the final surplus will be pro-rated for each Arctic State and subtracted from the annual contributions for 2017.
At the meeting of Senior Arctic Officials in Fairbanks, Alaska in spring of 2016, delegates celebrated the 20th anniversary of the Arctic Council.

Photo: Arctic Council Secretariat / Linnea Nordström
Annex 1: Arctic Council Secretariat IT Strategy
1. Introduction

IT refers to technologies for digital information processing including software, hardware, communication technologies and related services.

IT at the Arctic Council Secretariat (ACS) is a fundamental tool to help the Secretariat to fulfill its tasks for the Arctic Council (AC), as assigned in the ACS terms of reference and further defined and detailed in the ACS work plan.

2. Background

The ACS was established in 2013 and since that time the use of IT at the ACS has grown rapidly. The IT needs and requirements have evolved in line with the maturing of the ACS as a whole. IT technology is a discipline that is marked by rapid development and large advancements may sometimes take place within a short time frame.

With some of the developments occurring within digital collaboration, social media, mobility, and more, there is considerable potential in leveraging new technology for the accomplishment of ACS tasks.

3. Goals

The primary goal of the IT strategy is to support the ACS staff to carry out their daily tasks in the most effective manner possible.

For many of the ACS tasks, computers, mobile phones, software and other IT based equipment are essential. It is therefore important that the ACS staff is provided with good, reliable tools and services designed to make their jobs as effortless as possible and thus more productive.

ACS employees have to travel frequently in their work and are often called upon to carry out their duties away from the office. Any work involving IT should be easily performed regardless of location and equipment.

Collaboration is an important area within the AC family. ACS IT should facilitate interaction and cooperation using technology both within the AC and externally.

4. Governing Principles

To accomplish the overarching IT goals, the ACS will be guided by the following governing principles.

Ease of use
- Cultivate a good user experience
- Make services reliable and easily available

Service
- Management and use of IT services should be as simple as possible
- Technical assistance should be quick and easy to acquire
- When possible, common standards and work flows should be established across solutions

Security
- Make IT services secure, but do not create undue hindrance for users
- Strive for predictable costs, without increasing the total cost to a greater extent
- If possible, avoid large single investments and long-term binding contacts
- Seek to use solutions that are correctly dimensioned for the intended use
Annex 2: Visitors received and representations made in 2016
The ACS director represented the ACS at the following events:

- West Nordic Conference in Grindavik, Iceland (January)
- Delegation of Special Envoyés from the Norwegian Ministry of Education, at Tromsø University (May)
- European Defence Agency (Project Team EU Maritime Capabilities in the Arctic), at KSAT, Tromsø (June)
- Arctic Council 20 Years and AMAP 25 Years Anniversary seminar in Oslo (July)
- Arctic Council Anniversary Seminar on current role and status of the Arctic Council, Reykjavik (September)
- Arctic Circle, including bilateral meetings and interviews with the press, Reykjavik (October)
- The Russian International Affairs Council’s Conference on International Cooperation in the Arctic: New Challenges and Vectors in Development, Moscow (October)
- Seminar at Tromsø University, hosted by Dr. Piotr Graczyk (October)
- Four Councils meeting, Stockholm (November)
- AMAP 25 Years Anniversary Seminar, Helsinki (November)
- Northern Dimension, Reykjavik (December)

The following visitors were received at the ACS offices, January 2016-August 2016. In most cases, the visits included a general introduction of the work of the Arctic Council, its structure, and priorities under the U.S. Chairmanship.

- Ambassador of South Korea (January)
- Foreign Minister of Finland Mr. Timo Soini and delegation (January)
- Icelandic Minister for Industry and Commerce Ms. Ragnheiður Elin Árnadóttir and delegation (January)
- Director of University of Iceland’s Institute of International Affairs and Centre for Small State Studies (January)
- Delegation from the Embassy of Japan in Oslo (January)
- Representative from the European External Action Service (January)
- Executive Director of the World Wildlife Fund (February)
- Director General of the International Centre for Reindeer Husbandry (ICRH), (April)
- Representatives from ARENA, cluster of North Norwegian tourism companies (April)
- Ambassador Samuel D. Heins, U.S. Ambassador to Norway (May)
- Group of students from Tromsø University and the Korea Maritime Institute (May)
- Farewell visit of Norwegian SAO Else Berit Eikeland (May)
- Mr. Ser Miang Ng, Ambassador of Singapore to Norway (May)
- Delegation from the Norwegian Peace Council (May)
- Cabinet expert from the European Commission, Vice President’s cabinet (May)
- Professor from the University of Canterbury, NZ (June)
- Mr. Torben Bryllie, Ambassador of Denmark to Norway (June)
- Delegation from the Chicago Council (June)
- Delegation from the University of the Arctic (June)
- Secretary General of the International Association of Marine Aids to Navigation and Lighthouses (IALA) (June)
- President of the International Hydrographic Bureau (June)
- EU Parliament Committee on Fisheries (July)
- Representatives from the incoming Finnish Chairmanship of the Arctic Council (July)
- Secretary General for the Standing Committee of Parliamentarians of the Arctic Region (SCPAR) (August)
- Annual visit from the Norwegian-American Parliamentary Exchange Program (NAPEP) (August)
- Chairman of the Board of ForestRE, UK (August)
- Head of Secretariat of the Northern Periphery and Arctic Programme (August)
- Director General of the International Centre for Integrated Mountain Development (ICIMOD), (August)
- New Norwegian Senior Arctic Official Anniken Krutnes and deputy Grete Ødegaard (August)
- Visit from the Finnish-Swedish Transboundary River Commission (September)
- Visit from the Norwegian-Chilean Transboundary River Commission (September)
- Visit from the Consular Section of the U.S. Embassy (September)
- Group of students from Durham University (September)
- Visit from students from Tromsø University (October)
- Diplomats from the U.S. Embassy in Oslo (October)
- Meeting with the Arctic Economic Council (November)
- Visit from Indian parliamentarians Mr. Anurag Thakur and Mr. Milind Deora, accompanied by representatives from UN-Aid and the Norwegian Embassy in New Delhi (November)
- Visit from a delegation of Dutch parliamentarians (November)
- Delegation from the Danish Arctic Command (November)
Annex 3: Arctic Council Secretariat work plan for 2016-2017
1. Introduction

This biennial work plan for the standing Arctic Council Secretariat (ACS) for the calendar years 2016 and 2017 is the second biennial work plan for the ACS. It covers the United States’ Chairmanship of the Arctic Council during the entirety of 2016 and through the spring of 2017, as well as the beginning of Finland’s Chairmanship of the Arctic Council in 2017, and runs through the end of that calendar year.

The work plan builds in broad terms upon the ACS terms of reference and upon the “Communications Implementation Plan for the Arctic Council Secretariat” as approved by Senior Arctic Officials in March of 2014. In large measure, the work plan reflects a continuation of the routines, practices, and tasks that were identified in the first biennial work plan or decided later in coordination with the Arctic Council Chairmanship and/or the Senior Arctic Officials. Furthermore, the work plan reflects other tasks likely to be undertaken by the ACS at the request of the Chairmanship or the SAOs, subject to the availability of the necessary resources.

Apart from the individual issues and tasks listed in the work plan, the ACS will draw upon its experience and knowledge of past practices in the Arctic Council to advise the Chairmanship and other members of the Arctic Council, as appropriate, on all relevant issues with respect to the Council’s ongoing work.

2. Secretariat support of the Arctic Council

The ACS will provide secretariat support for the Arctic Council and, in particular, for the Chairmanships of the United States and of Finland, in accordance with the ACS terms of reference and as further detailed in this work plan. The work of the ACS will be undertaken as appropriate in cooperation with, and under the direction of, the SAO Chair. The support from the ACS can be broadly divided into four categories as follows.

2a. General support to the Chairmanship and the Arctic Council

The ACS will:

- Attend SAO meetings and Ministerial meetings; provide support for logistical and practical preparations including, inter alia, registration of participants and hosting of meeting web sites; assist with preparation and publishing of agendas and meeting documents; take minutes from meetings and prepare meeting reports.
- Manage the Arctic Council Chair email account and assist the SAO Chair in daily correspondence; receive correspondence to the Arctic Council and distribute it as appropriate; draft responses for the SAO Chair’s consideration; coordinate with Arctic States, Permanent Participants, Working Groups, Task Forces and others as appropriate.
- Provide support as requested, as appropriate, and as resources permit during Working Group, Task Force and Expert Group meetings.
- Coordinate, collect, and consolidate input to reports and other documents from SAOs, Permanent Participants, Working Groups, Task Forces, Expert Groups, other Arctic Council subsidiary bodies, and accredited Observers.
- Ensure distribution of reports and other documents as needed to SAOs, Permanent Participants, Working Groups, Task Forces, Expert Groups, other Arctic Council subsidiary bodies, and accredited Observers.
- Support Observers, in accordance with the Observer Manual, including relating to entities applying for Observer status.
- Undertake other tasks as requested by the Chairmanship or the SAOs, subject to the availability of the necessary resources.

2b. Administrative continuity

To help ensure the smooth functioning of the Arctic Council, the ACS will do the following.

- Maintain and update distribution lists, contacts, and focal points, and make updated lists available to the Arctic Council subsidiary bodies. In addition, distribute emails as appropriate on behalf of SAOs and/or Permanent Participants to relevant recipients via the Arctic Council Secretariat email account.
- Maintain and further develop relevant Arctic Council archives and ensure that important documentation is kept in a safe and appropriate manner.
- Support the Chairmanship in its working processes and keep track of formal deadlines of the Arctic Council as appropriate.
- During the lead-up to the Finnish Chairmanship (2017-2019), work with Finnish representatives to prepare.

2c. Communications and outreach

The ACS will undertake the following:

- Maintain and develop the Arctic Council website and the Arctic Council-branded social media accounts.
- Facilitate information-sharing and timely responses to questions about the Arctic Council.
- Relate to external stakeholders at the request of the Chairmanship or SAOs (see section 5 for more details).
2d. Russian language services
The ACS will provide Russian language services, including the following.

- Translate the main documents for Arctic Council Ministerial meetings and SAO meetings (e.g., agendas, meeting reports, key reports and report summaries) into Russian.
- Translate website content into Russian on the main Arctic Council website.
- As appropriate, and as resources permit, translate Arctic Council communication and outreach materials, or other documents or materials.
- Subject to approval by the director, provide language assistance, including interpretation, to the Working Groups, Task Forces, and other subsidiary bodies.
- Develop an English-Russian glossary of terms used in the work of the Arctic Council.
- Provide other Russian language-related support as instructed by the director.

3. Overview and coordination of Arctic Council activities
The ACS will endeavor to provide a comprehensive overview of Arctic Council activities, including specific reporting on particular elements of interests, as directed by the Chairmanship or by SAOs. Where appropriate and where desired, the ACS will also assist the Chairmanship in monitoring cross-cutting projects. Tasks associated with this element of the ACS’s work may include the following.

- Coordinate with the Chairmanship to continue to develop and improve the comprehensiveness and usability of the Amarok tracking tool, a database of all ongoing Arctic Council projects. The Amarok tracking tool should serve to help Arctic Council members, as well as Observers and the general public, to better appreciate the breadth and diversity of the Arctic Council’s work, as well as to track progress and coordinate cross-cutting efforts.
- As directed by SAOs, continue to maintain and update the information contained in the project costing database and work to improve its usability. In the long term, work towards the creation of a unified database merging the tracking tool and the project costing database.
- As directed by SAOs, continue to develop a database of Arctic Council decisions since the Council’s founding in 1996. In the long term, consider whether it is feasible to link this database of decisions with the tracking tool and with the project costing database.
- With assistance from the Member States, Permanent Participants, Working Groups, and Task Forces, work to identify good opportunities to schedule Working Group and Task Force meetings close to one another to facilitate participation.

4. Secretariat functions for ACAP and EPPR, and support to other subsidiary bodies

4a. Secretariat functions for ACAP and EPPR
The ACS will act as executive secretary for the Emergency, Preparedness, Prevention, and Response Working Group (EPPR) and the Arctic Contaminants Action Program Working Group (ACAP). The main goal of the ACS is to ensure continuity, avoid duplication and make the work of EPPR and ACAP even more effective. This work will be carried out in close cooperation with the Chairs of ACAP and EPPR and will include the following tasks.

- Maintain the Working Groups’ calendars and provide notification of deadlines, including requesting and distributing meeting documents prior to the Working Group meetings.
- Work with the Working Group Chairs to develop meeting agendas and prepare all pre- and post-meeting reports to Ministers/SAOs.
- Maintain Working Group e-mail lists and websites, including the password-protected areas. Develop website content in cooperation with the Working Group Chair(s), with the majority of the content being produced by the Chair(s) and members of the Working Group.
- In cooperation with the host country, assist in making meeting arrangements and manage meeting registrations.
- Represent EPPR and ACAP at executive secretary meetings.
- Promote the accomplishments of EPPR and ACAP.

4b. Support to other subsidiary bodies
The ACS will provide administrative and secretariat support to the Arctic Council Task Forces, Expert Groups and other subsidiary bodies, as requested and as resources permit. Such support may, at the discretion of the ACS director and relevant Chair(s), include the duties listed above in section 4a. In addition, by request and as resources allow, the ACS may undertake the following tasks.

- Translate meeting documents, materials, and deliverables from and into Russian.
- Provide simultaneous and consecutive interpretation at meetings.

5. Communication and outreach activities
Under the direction of and in close cooperation with the Chairmanship, the ACS will coordinate the overall outreach and communications under the Arctic Council brand. Building upon the approved Communications Strategy for the Arctic Council and on the “Communications Implementation Plan for the Arctic Council Secretariat”, which was approved at the Yellowknife SAO meeting in March 2014, the ACS will carry out the following tasks.

- Translate meeting documents, materials, and deliverables from and into Russian.
- Provide simultaneous and consecutive interpretation at meetings.
5a. Website management

- Upgrade as appropriate the technical framework and structure of the websites hosted on the ACS server in order to ensure maximum user-friendliness, compatibility, and stability, and monitor website statistics and make changes as necessary to encourage increased visitor traffic to the site(s).
- Further expand the quantity and diversity of material available on the Arctic Council website by working closely with the Chairmanship, SAOs, and Working Groups. In addition, the ACS will make efforts to highlight content from other sources (e.g., social media, external news sources, videos, photos, archive documents etc.).
- Improve the archive section of the Arctic Council website in order to provide easier access to both public and password-protected documents. Establish connections between the internal ACS archiving software and the website to minimize effort and avoid duplication.
- Create password-protected sections of the Arctic Council website for meetings and other needs as requested by the Chairmanship and the SAOs.
- Continue to assist Arctic Council entities with website design, hosting, and management as outlined in the ACS work plan for 2013-2015.

5b. Internal communications and coordination of the communications group

- Expand monitoring of national and international media, reduce the man-hours devoted to such work, and provide regular (daily, weekly, or monthly) updates to SAOs and PPs.
- Create and distribute periodic overviews of (1) national and international media attention, (2) statistics from the Arctic Council’s social media channels, and (3) statistics from the Arctic Council website to SAOs, PPs, Working Groups and Observers, as well as to all representatives within the communications and outreach group.
- For ACS-hosted websites (e.g., EPPR, ACAP, and the Open Access archive), and as resources allow, create and distribute periodic overviews of website statistics to relevant stakeholders.
- Coordinate meetings of the communications group as described in the “Communications Strategy for the Arctic Council”, including both periodic “come-as-you-can” group calls and purpose-specific calls leading up to major meetings.

5c. Social media and other content formats

- In close cooperation with the Chairmanship, continue to manage the Arctic Council Facebook and Twitter accounts. Provide suggestions on content and potential expansion of such channels where such opportunities exist. Explore opportunities for collaboration with other social media accounts within the Arctic Council network.
- Cooperate with the Chairmanship, with other Arctic Council entities and, where necessary, with external contractors to plan and produce or acquire multimedia content (video, audio, images) for use by Arctic Council entities.

5d. Working with external media

- In close cooperation with the Chairmanship, continue to serve as a first point of contact for Arctic Council media inquiries and facilitate timely communication between the media and Arctic Council representatives who can respond to questions.
- Develop interviews, statements, opinion pieces and/or any other forms of Arctic Council content for proactive placement in media outlets that reach the Arctic Council’s target audiences as identified in the “Communications Strategy for the Arctic Council” and the “Communications Implementation Plan for the Arctic Council Secretariat”.
- Strengthen relationships with key partners in international and national media.

5e. Representations of the Arctic Council

- Continue to welcome guests (e.g., state delegations, students, academics, journalists, or others) who ask to visit the ACS offices in Tromsø. Upon request, provide basic briefings on the current priorities of the Arctic Council, its structure and functioning, its history, and the work of the ACS in particular.
- Attend selected key non-Arctic Council conferences and events as time, resources, and budget permit, and in coordination with the Chairmanship. Use these events as opportunities to distribute informational materials about the Council and its work, and to make person-to-person connections with individuals in many of the target groups identified in the “Communications Strategy for the Arctic Council”.
- Continue to work to create products (e.g., professionally laid-out and printed versions of Declarations, or Arctic Council pins) appropriate for distribution to participants and the public at meetings, conferences, and other events.

6. Administrative functions

Since the establishment of the ACS, its administrative functions have been continuously tested, reviewed and improved. This development will continue in the 2016-2017 period, although all basic administrative systems are in place and functioning well. As of February 2015, the size of the ACS staff is a good fit for the suite of tasks currently required of the Secretariat.

2017 will mark the end of the Arctic Council Secretariat’s first four years in existence. During 2017, five employee contracts will expire (between February and September), as will several contracts with sup-
6a. Staff recruitment, assessment, development and welfare

Developing and strengthening the human resources of the ACS will remain a high priority. Should SAOs decide to integrate the IPS with the ACS, it will certainly have an impact on the scope of this field of work during 2016 and 2017, but without altering the general aims of ACS in this area. During 2016-2017, the ACS will undertake the following tasks.

- Respond to the possible need to recruit many new staff members during 2017, as many staff members’ contracts will expire between February and September of that year. If mutual agreement is reached, some or all staff members may stay on with the ACS for another four-year period, reducing this element of the ACS’s work.
- Conduct recruitment processes as needed in the fall of 2016 and spring/summer of 2017. As needed, develop work descriptions and announcements, review applications, conduct interviews, check references, negotiate contracts and arrange relocation of new employees to Tromsø. Depending on the number of new recruitments, this could be a major undertaking for the ACS in this period.
- Continue its ongoing dialogue with host country authorities in terms of accommodating the distinct needs of international staff members and making the transition for new staff members to Tromsø as smooth as possible.
- Work with Member States to explore the possibility of secondments to the ACS. Secondments to the ACS have thus far proven to be beneficial; the ACS will work to accommodate future such arrangements where appropriate and as resources permit.
- Perform annual appraisal conversations with all staff members, using the template developed for this purpose, to get a clear sense of how each employee is thriving and performing. Determine from the results of the appraisal conversations what kind of training would benefit each employee in the performance of his or her duties.
- Arrange training, presentations, and other development events to obtain external professional input on certain working areas (e.g., communications or cross-cultural understanding) and strengthen cohesion between ACS employees.

6b. Suppliers and agreements

The ACS will perform a review of existing contracts, including services such as accounting/payroll and IT support, to determine if existing arrangements are adequate or if the ACS should consider other options. If the review of suppliers indicates that the ACS should change one or several suppliers, then some transition costs may apply.

6c. Rent and premises

As of January 2015, initial plans for new premises for the ACS offices are delayed, and there is uncertainty as to when Fram II (a new building, intended to be the future location of the ACS offices) will be ready. Fram II is unlikely to be completed during the work plan period of 2016-2017. As of this writing, the ACS is renting offices at the Fram Centre through the Norwegian Polar Institute.

Depending on the final decision on the construction of the Fram II, the issue of housing for the ACS offices may have to be raised either before or during the work plan period.

6d. Budget for 2016-2017

The ACS has prepared a draft budget for 2016 and 2017 which is associated with this work plan. Due to the many uncertainties mentioned above regarding key considerations such as recruitment and office space, it may become necessary for practical reasons to revisit the budget during the 2016-2017 period. In that case, additional work will be necessary to assess and make any necessary adjustments.

7. Archiving

The ACS will continue to implement the archiving work as outlined in the “Policy on ACS Records Management”, the “Guidelines for the Disposition of ACS Records”, the “Guidelines for the Release of ACS Records”, the “Guidelines for Access to ACS Records”, and the “Integrated Records Management Tool” documents, all of which have been approved by SAOs. The internal ACS archive, which consists of records (for example, administrative documents and internal correspondence) held by the ACS, will be maintained and updated, with guidance sought from SAOs as necessary. Priority will be placed on sourcing all historical Arctic Council documents in order to complete the collection of these documents by the end of 2016 and to sort them systematically. A more robust and accessible photography archive will also be developed.

8. Open Access Repository development

The ACS will maintain the Open Access Repository and work to ensure that it includes all significant Arctic Council products, including, but not limited to,
Working Group publications and reports from subsidiary bodies. When possible and appropriate, work will be done to link the Open Access Repository with other portals, archives, and databases to increase document distribution.

9. 20th anniversary of the Arctic Council
The Arctic Council will mark its 20th anniversary on 19 September 2016. The ACS will support and assist the U.S. Chairmanship in marking the anniversary in an appropriate manner. The ACS will coordinate with the U.S. Chairmanship and support the Host Country, the Government of Norway, to stage an event in Tromsø to celebrate the 20 year anniversary at a convenient time in 2016.

10. Biennial work plan, budgets and reporting
The ACS will:

- Prepare a work plan for the period 2018-2019 for submission to SAOs prior to the 10th Ministerial meeting, expected to take place in the United States in 2017.
- Prepare a budget for the period 2018-2019 for submission to SAOs and consideration by Ministers at the 10th Ministerial meeting, expected to take place in the United States in 2017.
- Report on ACS operations and activities at each meeting of Senior Arctic Officials.
Annex 4: Budget for the Arctic Council Secretariat for 2016
## EXPENSES

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<thead>
<tr>
<th>Category</th>
<th>NOK</th>
<th>USD</th>
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<tbody>
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<td>Prof. Staff, salaries / social ben.</td>
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<td>Home travels</td>
<td>50,000</td>
<td>8,197</td>
</tr>
<tr>
<td>Gen. Staff, salaries / social ben.</td>
<td>794,711</td>
<td>130,280</td>
</tr>
<tr>
<td>Insurance</td>
<td>23,000</td>
<td>3,770</td>
</tr>
<tr>
<td>Training and development</td>
<td>100,000</td>
<td>16,393</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>250,000</td>
<td>40,984</td>
</tr>
<tr>
<td><strong>Staff:</strong></td>
<td>6,130,550</td>
<td>1,005,007</td>
</tr>
<tr>
<td><strong>RENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent of offices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent:</td>
<td>752,000</td>
<td>123,279</td>
</tr>
<tr>
<td><strong>PROFESSIONAL SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit, annual fee and consulting</td>
<td>64,000</td>
<td>10,492</td>
</tr>
<tr>
<td>Accounting and payroll</td>
<td>210,000</td>
<td>34,426</td>
</tr>
<tr>
<td>IT</td>
<td>274,628</td>
<td>45,021</td>
</tr>
<tr>
<td>Communications</td>
<td>189,000</td>
<td>30,984</td>
</tr>
<tr>
<td>Website and consultant</td>
<td>140,000</td>
<td>22,951</td>
</tr>
<tr>
<td>E-Docs, Archive</td>
<td>75,000</td>
<td>12,295</td>
</tr>
<tr>
<td>Photo project</td>
<td>80,000</td>
<td>13,115</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>100,000</td>
<td>16,393</td>
</tr>
<tr>
<td><strong>Professional services:</strong></td>
<td>1,132,628</td>
<td>185,677</td>
</tr>
<tr>
<td><strong>OVERHEAD / OFFICE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC, phones, videoconf.</td>
<td>237,000</td>
<td>38,852</td>
</tr>
<tr>
<td>Supplies</td>
<td>75,000</td>
<td>12,295</td>
</tr>
<tr>
<td>Print and freight</td>
<td>60,000</td>
<td>9,836</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>12,000</td>
<td>1,967</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>50,000</td>
<td>8,197</td>
</tr>
<tr>
<td><strong>Overhead:</strong></td>
<td>434,000</td>
<td>71,148</td>
</tr>
<tr>
<td><strong>GENERAL ADMINISTRATIVE ISSUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recruitment / advert.</td>
<td>50,000</td>
<td>8,197</td>
</tr>
<tr>
<td>Meetings / representation</td>
<td>150,000</td>
<td>24,590</td>
</tr>
<tr>
<td><strong>General administration:</strong></td>
<td>200,000</td>
<td>32,787</td>
</tr>
<tr>
<td><strong>TRAVEL EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>1,350,000</td>
<td>221,311</td>
</tr>
<tr>
<td><strong>Travel:</strong></td>
<td>1,350,000</td>
<td>221,311</td>
</tr>
<tr>
<td><strong>AC 20TH ANNIVERSARY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anniversary</td>
<td>100,000</td>
<td>16,393</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>10,099,178</td>
<td>1,655,602</td>
</tr>
</tbody>
</table>
Annex 5: Arctic Council Secretariat financial statements (NOK / USD) and auditor’s report for year ending 31 December 2016

- Financial statements 2016 (NOK/USD) (Prepared by Azets (formerly Visma AS)
- Income statement 2016
- Balance sheet
- Notes
- Auditor’s report (prepared by Ernst & Young AS)
### Income Statement 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
<th></th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOK</td>
<td>USD</td>
<td>NOK</td>
<td>USD</td>
</tr>
<tr>
<td>Other operating income</td>
<td>13,464,575</td>
<td>1,562,016</td>
<td>10,527,294</td>
<td>1,195,061</td>
</tr>
<tr>
<td>Total operating income</td>
<td>13,464,575</td>
<td>1,562,016</td>
<td>10,527,294</td>
<td>1,195,061</td>
</tr>
<tr>
<td>Staff costs</td>
<td>2,3,4</td>
<td>5,912,383</td>
<td>685,891</td>
<td>4,847,873</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5</td>
<td>142,368</td>
<td>16,516</td>
<td>142,368</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>6,7</td>
<td>3,557,021</td>
<td>412,647</td>
<td>3,384,337</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>9,611,771</td>
<td>1,115,055</td>
<td>8,374,578</td>
<td>950,684</td>
</tr>
<tr>
<td>Result of operations</td>
<td>3,852,804</td>
<td>446,961</td>
<td>2,152,716</td>
<td>244,370</td>
</tr>
<tr>
<td>Other interest income</td>
<td>12,533</td>
<td>1,454</td>
<td>47,217</td>
<td>5,360</td>
</tr>
<tr>
<td>Total financial income</td>
<td>12,533</td>
<td>1,454</td>
<td>47,217</td>
<td>5,360</td>
</tr>
<tr>
<td>Other interest charge</td>
<td>139</td>
<td>16</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total financial expenses</td>
<td>139</td>
<td>16</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net financial items</td>
<td>12,393</td>
<td>1,438</td>
<td>47,217</td>
<td>5,360</td>
</tr>
<tr>
<td>OPERATING RESULT</td>
<td>3,865,197</td>
<td>448,399</td>
<td>2,199,933</td>
<td>249,737</td>
</tr>
<tr>
<td>RESULT OF THE YEAR</td>
<td>3,865,197</td>
<td>448,399</td>
<td>2,199,933</td>
<td>249,737</td>
</tr>
</tbody>
</table>
## Balance Sheet 2016

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixtures and fittings, tools, office machinery, etc</td>
<td>5</td>
<td>422,003</td>
<td>564,371</td>
<td>48,956</td>
<td>64,068</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td></td>
<td>422,003</td>
<td>564,371</td>
<td>48,956</td>
<td>64,068</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other debtors</td>
<td></td>
<td>17,325</td>
<td>135,516</td>
<td>2,010</td>
<td>15,384</td>
</tr>
<tr>
<td><strong>Total receivables</strong></td>
<td></td>
<td>17,325</td>
<td>135,516</td>
<td>2,010</td>
<td>15,384</td>
</tr>
<tr>
<td>Bank deposits, cash, etc</td>
<td>8</td>
<td>4,888,192</td>
<td>2,637,916</td>
<td>567,076</td>
<td>299,457</td>
</tr>
<tr>
<td><strong>Total bank deposits, cash</strong></td>
<td></td>
<td>4,888,192</td>
<td>2,637,916</td>
<td>567,076</td>
<td>299,457</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>4,905,518</td>
<td>2,773,432</td>
<td>569,086</td>
<td>314,841</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>5,327,521</td>
<td>3,337,803</td>
<td>618,042</td>
<td>378,908</td>
</tr>
</tbody>
</table>

### EQUITY AND LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other equity</td>
<td>9</td>
<td>3,865,197</td>
<td>2,199,933</td>
<td>448,399</td>
<td>249,737</td>
</tr>
<tr>
<td><strong>Total retained earnings</strong></td>
<td></td>
<td>3,865,197</td>
<td>2,199,933</td>
<td>448,399</td>
<td>249,737</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>9</td>
<td>3,865,197</td>
<td>2,199,933</td>
<td>448,399</td>
<td>249,737</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors</td>
<td></td>
<td>321,344</td>
<td>191,287</td>
<td>37,279</td>
<td>21,715</td>
</tr>
<tr>
<td>Public duties payable</td>
<td></td>
<td>334,789</td>
<td>236,199</td>
<td>38,839</td>
<td>26,813</td>
</tr>
<tr>
<td>Other short-term liabilities</td>
<td>10</td>
<td>806,189</td>
<td>710,384</td>
<td>93,525</td>
<td>80,643</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>1,462,323</td>
<td>1,137,870</td>
<td>169,643</td>
<td>129,171</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>1,462,323</td>
<td>1,137,870</td>
<td>169,643</td>
<td>129,171</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td></td>
<td>5,327,521</td>
<td>3,337,803</td>
<td>618,042</td>
<td>378,908</td>
</tr>
</tbody>
</table>
Notes

Accounting Principles

Accounting principles and the effect of changes to these principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice for small businesses. The following accounting principles are applied:

Operating revenues

Public subsidies revenues are recognized on the date of subscription.

Current assets/Short-term liabilities

Current assets and short-term liabilities normally include items that fall due for payment within one year after balance sheet date. Current assets are reported at the lowest value of procurement cost and the assumed fair value.

Fixed assets/Long-term liabilities

Fixed assets include assets planned for long-term ownership and use. Fixed assets are reported at procurement cost. Tangible fixed assets are reported in the balance sheet and depreciated over the asset’s economic lifetime. Tangible fixed assets are depreciated to fair value in cases where the reduction in value is not expected to be temporary. The depreciation is reversed if the basis for the depreciation no longer exists.

Receivables

Other receivables are reported at nominal value.

The company has not changed its accounting principles from 2015 to 2016.

Indigenous Peoples’ Secretariat

As of January 2016 the Indigenous Peoples’ Secretariat (IPS) is a department of the Arctic Council Secretariat (ACS). IPS has two employees, who are formally employed by the Arctic Council Secretariat. IPS has its own contributions, and the costs regarding ACS and IPS are separated in the financial statements. Only figures for ACS are presented in the income statement. The result of IPS operations is presented in the balance sheet as a debt for IPS. A detailed income statement for IPS is presented in note 12.

Note 1: Other operating income and other receivables

<table>
<thead>
<tr>
<th></th>
<th>ACS</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (NOK)</td>
<td>Total (USD)</td>
<td>Budget (NOK only)</td>
</tr>
<tr>
<td>Denmark</td>
<td>884,002</td>
<td>106,418</td>
<td>649,152</td>
</tr>
<tr>
<td>Canada</td>
<td>887,894</td>
<td>106,418</td>
<td>649,152</td>
</tr>
<tr>
<td>Finland</td>
<td>889,952</td>
<td>106,418</td>
<td>649,152</td>
</tr>
<tr>
<td>Iceland</td>
<td>902,011</td>
<td>106,418</td>
<td>649,152</td>
</tr>
<tr>
<td>Norway</td>
<td>896,485</td>
<td>106,418</td>
<td>649,152</td>
</tr>
<tr>
<td>Russia</td>
<td>885,519</td>
<td>106,418</td>
<td>649,152</td>
</tr>
<tr>
<td>Sweden</td>
<td>877,708</td>
<td>106,418</td>
<td>649,152</td>
</tr>
<tr>
<td>Host Country Contribution</td>
<td>5,300,973</td>
<td>629,257</td>
<td>3,838,465</td>
</tr>
<tr>
<td>Currency exchange rate fluctuation gains/losses</td>
<td>0</td>
<td>-42,172</td>
<td>0</td>
</tr>
<tr>
<td>DEPOSED</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution deposited 2014</td>
<td>138,968</td>
<td>16,122</td>
<td>138,968</td>
</tr>
<tr>
<td>Internal fee</td>
<td>139,346</td>
<td>16,049</td>
<td>107,913</td>
</tr>
<tr>
<td>Translation contribution, Norway</td>
<td>788,006</td>
<td>91,416</td>
<td>0</td>
</tr>
<tr>
<td>Total Operating Income ACS</td>
<td>13,464,575</td>
<td>1,562,016</td>
<td>10,527,294</td>
</tr>
</tbody>
</table>

The budget for ACS in NOK was set when the exchange rate was 6.1 per 1 USD. The states pay their contributions in USD and there has been a significant devaluation of the NOK in 2016. The financial income due to this development is shown in the column “Currency exchange gains.”
NOTE: The following additional clarification is not part of the ACS financial statements as audited in 2017 for the financial year ending 31.12.2016. These are added here, in the ACS annual report only, as additional explanation for readers unfamiliar with the material. Again, the text below was not part of the ACS financial statements as audited.

* The exchange rate between Norwegian krone (NOK) and U.S. dollars (USD) changed substantially over the course of 2016. In accordance with its financial rules, the Arctic Council Secretariat’s “financial life” is conducted in NOK. Contributions from the Arctic States, however, are made in USD, and converted to NOK at the exchange rate on the day they are received. The figure USD 42,172 reflects the decrease in the USD value of the total contributions received in NOK from the dates of receipt, which varied, until 31 Dec 2016, on which the exchange rate was 8.62 NOK / 1 USD. Put another way, the Arctic Council Secretariat took in total contributions of NOK 13,187,261 from the Arctic States in 2016. The value of that amount in USD on the dates of receipt was USD 1,572,017. The value of that amount, if converted back to USD on the last day of the 2016, would have been less: USD 1,529,845. That loss in USD value over that period was USD 42,172.

** USD 78,878 of the Fixed Assets’ “Purchase costs as of 01.01.2016” are the actual costs incurred for the 2014 purchase of an asset associated with the ACS’s archiving work. According to accounting principles, this is reported as an asset on the balance sheet and in note 5. It is then depreciated by 20% each year. The corresponding income was placed here under “Deposed” in 2014, and 20% “activated” in each year henceforth to cover the depreciation costs for the year. “Contribution deposed 2014” for 2016 was USD 16,122.

---

**Note 2 - Payroll expenses**

Labor costs consist of the following items:

<table>
<thead>
<tr>
<th>ACS:</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOK</td>
<td>USD</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>5,348,449</td>
<td>620,470</td>
</tr>
<tr>
<td>Employer’s (social security) contribution</td>
<td>232,078</td>
<td>26,923</td>
</tr>
<tr>
<td>Pension costs</td>
<td>142,544</td>
<td>16,536</td>
</tr>
<tr>
<td>Other personnel costs</td>
<td>189,311</td>
<td>21,962</td>
</tr>
<tr>
<td><strong>Total cost of labour:</strong></td>
<td><strong>5,912,383</strong></td>
<td><strong>685,891</strong></td>
</tr>
</tbody>
</table>

Average full time equivalent employees: 10.
Specification of the IPS payroll expenses is presented in note 12

**Note 3 - Remuneration of senior executives**

<table>
<thead>
<tr>
<th>TYPE OF REMUNERATION</th>
<th>Director</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REMUNERATION OF SENIOR EXECUTIVES</strong></td>
<td>NOK</td>
</tr>
<tr>
<td>Salary</td>
<td>983,705</td>
</tr>
<tr>
<td>Other remuneration</td>
<td>4,923</td>
</tr>
</tbody>
</table>

**Note 4 - Pension costs**

**Pension scheme**

The company’s pension scheme is based on the Norwegian Mandatory Occupational Pensions Act. Pension obligations are not reported on the balance sheet. The annual pension premium is reported the year’s pension costs on the income statement.
Note 5 - Fixed assets

<table>
<thead>
<tr>
<th>Fixed assets</th>
<th>NOK</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase costs as of 01.01.2016</td>
<td>711,840</td>
<td>82,580</td>
</tr>
<tr>
<td>Additions</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disposals</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Purchase costs as of 01.01.2016</td>
<td>711,840</td>
<td>82,580</td>
</tr>
<tr>
<td>Accumulated Depreciation 01.01.2016</td>
<td>-147,470</td>
<td>-17,108</td>
</tr>
<tr>
<td>Accumulated Depreciation 31.12.2016</td>
<td>-289,837</td>
<td>-33,624</td>
</tr>
<tr>
<td>Book value 31.12.2016</td>
<td>422,003</td>
<td>48,956</td>
</tr>
<tr>
<td>Depreciation 2016</td>
<td>-142,368</td>
<td>-16,516</td>
</tr>
<tr>
<td>Useful life</td>
<td>5 years</td>
<td>5 years</td>
</tr>
<tr>
<td>Depreciation method: Straight line</td>
<td>20 %</td>
<td>20 %</td>
</tr>
</tbody>
</table>

Note 6 - Auditor fees

**Auditor and other consultant fees**

Auditor’s fees are reported as an expense, as remuneration for the audit, amounting to NOK 38,000 included VAT. Fees for other expenses to auditor is NOK 8,507.

Note 7 - Other operating expenses

Other operating expenses consist of the following items:

<table>
<thead>
<tr>
<th>ACS:</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOK</td>
<td>USD</td>
</tr>
<tr>
<td>Rent</td>
<td>784,221</td>
<td>90,977</td>
</tr>
<tr>
<td>Professional services</td>
<td>1,008,678</td>
<td>117,016</td>
</tr>
<tr>
<td>Overhead/office</td>
<td>489,203</td>
<td>56,752</td>
</tr>
<tr>
<td>General administrative expenses</td>
<td>114,591</td>
<td>13,294</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>1,160,328</td>
<td>134,609</td>
</tr>
<tr>
<td>Total other operating expenses</td>
<td>3,557,021</td>
<td>412,647</td>
</tr>
</tbody>
</table>

Note 8 - Bank deposits

<table>
<thead>
<tr>
<th>Deposits</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOK</td>
</tr>
<tr>
<td>Restricted</td>
<td>218,820</td>
</tr>
<tr>
<td>US additional funding</td>
<td>199,127</td>
</tr>
<tr>
<td>IPS extra funding</td>
<td>224,787</td>
</tr>
<tr>
<td>IPS bank account</td>
<td>143,328</td>
</tr>
<tr>
<td>Other bank deposits</td>
<td>4,102,129</td>
</tr>
<tr>
<td>Total bank deposits</td>
<td>4,888,192</td>
</tr>
</tbody>
</table>

This item includes restricted bank deposits amounting to NOK 218,820, of which Tax Owed is NOK 178,273.
Note 9 - Equity

<table>
<thead>
<tr>
<th>Equity</th>
<th>Other equity</th>
<th>Other equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 01.01.2016</td>
<td>2,199,933</td>
<td>255,213</td>
</tr>
<tr>
<td>Changes during the year</td>
<td>-2,199,933</td>
<td>-255,213</td>
</tr>
<tr>
<td>Profit/loss for the year</td>
<td>3,865,197</td>
<td>448,399</td>
</tr>
<tr>
<td>Equity as of 31.12.2016</td>
<td>3,865,197</td>
<td>448,399</td>
</tr>
</tbody>
</table>

Equity as of 31.12.2016 is the result of profit/loss from 2016. Cash surplus at the end of a financial year is accounted for in the contributions of Arctic States for the following year according to the ACS Financial Rules 5.6. Total Other Equity as of 31.12.2016 will therefore be accounted for in the contributions for 2017.

Note 10 - Other short term liabilities

<table>
<thead>
<tr>
<th>Other short term liabilities</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for archive project</td>
<td>-416,903</td>
<td>-48,365</td>
</tr>
<tr>
<td>Extra Contribution from US</td>
<td>-147,490</td>
<td>-17,110</td>
</tr>
<tr>
<td>Result of IPS operations</td>
<td>-33,812</td>
<td>-3,922</td>
</tr>
<tr>
<td>IPS Extra funding use</td>
<td>-207,985</td>
<td>-24,128</td>
</tr>
<tr>
<td>Total other current liabilities</td>
<td>-806,189</td>
<td>-93,525</td>
</tr>
</tbody>
</table>

"Provision for archive project" consists of contributions allocated to cover future depreciation of the tangible asset. This post has been reduced with NOK 138,968 in 2016, in line with depreciation of the asset during 2016.

Note 11 - ACS result of the year

<table>
<thead>
<tr>
<th></th>
<th>Budget (NOK)</th>
<th>2016 (NOK)</th>
<th>Budget (USD)</th>
<th>2016 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME STATEMENT 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution states</td>
<td>9,031,682</td>
<td>12,399,256</td>
<td>1,480,601</td>
<td>1,438,429</td>
</tr>
<tr>
<td>Translation contribution, Norway</td>
<td>847,496</td>
<td>788,006</td>
<td>138,934</td>
<td>91,416</td>
</tr>
<tr>
<td>Internal fee</td>
<td>50,000</td>
<td>138,346</td>
<td>8,197</td>
<td>16,049</td>
</tr>
<tr>
<td>Contribution states, deposed 2014</td>
<td>0</td>
<td>138,968</td>
<td>0</td>
<td>16,122</td>
</tr>
<tr>
<td>VAT refund</td>
<td>100,000</td>
<td>16,393</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return of interest</td>
<td></td>
<td>11,475</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating income</strong></td>
<td>10,029,178</td>
<td>13,464,575</td>
<td>1,655,600</td>
<td>1,562,016</td>
</tr>
<tr>
<td><strong>STAFF COSTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prof.staff, salaries/social ben</td>
<td>4,987,050</td>
<td>4,929,637</td>
<td>805,383</td>
<td>571,884</td>
</tr>
<tr>
<td>Home travels</td>
<td>50,000</td>
<td>0</td>
<td>8,197</td>
<td>0</td>
</tr>
<tr>
<td>Gen.staff, salaries/social ben</td>
<td>720,500</td>
<td>793,434</td>
<td>130,280</td>
<td>92,046</td>
</tr>
<tr>
<td>Insurance</td>
<td>23,000</td>
<td>23,113</td>
<td>3,770</td>
<td>2,681</td>
</tr>
<tr>
<td>Training and development</td>
<td>100,000</td>
<td>97,256</td>
<td>16,393</td>
<td>11,283</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>250,000</td>
<td>68,943</td>
<td>40,984</td>
<td>7,998</td>
</tr>
<tr>
<td><strong>Total staff costs</strong></td>
<td>6,130,550</td>
<td>5,912,383</td>
<td>1,005,007</td>
<td>685,891</td>
</tr>
</tbody>
</table>
In the 2016 budget, a VAT refund is listed under income. As VAT refund is in effect a reduction of costs, it can not be presented as an income in the financial statement.
### Note 12 - IPS Specification

<table>
<thead>
<tr>
<th>IPS</th>
<th>Budget (NOK)</th>
<th>2016 (NOK)</th>
<th>Budget (USD)</th>
<th>2016 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOK</td>
<td>USD</td>
<td>NOK</td>
<td>USD</td>
</tr>
<tr>
<td>Contribution states</td>
<td>1,758,228</td>
<td>1,758,228</td>
<td>203,971</td>
<td>203,971</td>
</tr>
<tr>
<td>Total operating income</td>
<td>1,758,228</td>
<td>1,758,228</td>
<td>203,971</td>
<td>203,971</td>
</tr>
</tbody>
</table>

#### STAFF COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget (NOK)</th>
<th>2016 (NOK)</th>
<th>Budget (USD)</th>
<th>2016 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof.staff, salaries/social benefits</td>
<td>905,362</td>
<td>901,123</td>
<td>105,030</td>
<td>104,539</td>
</tr>
<tr>
<td>Establishment allowance</td>
<td>185,839</td>
<td>185,840</td>
<td>21,559</td>
<td>21,559</td>
</tr>
<tr>
<td>Moving allowance</td>
<td>120,000</td>
<td>82,511</td>
<td>13,921</td>
<td>9,572</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,888</td>
<td>4,217</td>
<td>567</td>
<td>489</td>
</tr>
<tr>
<td>Training and development</td>
<td>14,167</td>
<td>2,538</td>
<td>1,644</td>
<td>294</td>
</tr>
<tr>
<td>Miscellaneous staff cost</td>
<td>21,250</td>
<td>27,404</td>
<td>2,465</td>
<td>3,179</td>
</tr>
<tr>
<td><strong>Total staff costs</strong></td>
<td><strong>1,251,506</strong></td>
<td><strong>1,203,633</strong></td>
<td><strong>145,186</strong></td>
<td><strong>139,633</strong></td>
</tr>
</tbody>
</table>

| Rent of offices                          | 110,500      | 123,046    | 12,819       | 14,274     |

#### OTHER OPERATING EXPENSES

**Professional services**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget (NOK)</th>
<th>2016 (NOK)</th>
<th>Budget (USD)</th>
<th>2016 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit, annual fee and consulting</td>
<td>9,067</td>
<td>10,373</td>
<td>1,052</td>
<td>1,203</td>
</tr>
<tr>
<td>Accounting and payroll</td>
<td>29,750</td>
<td>44,630</td>
<td>3,451</td>
<td>5,177</td>
</tr>
<tr>
<td>IT costs</td>
<td>38,905</td>
<td>46,393</td>
<td>4,513</td>
<td>5,382</td>
</tr>
<tr>
<td>Website and related consultant fees</td>
<td>19,833</td>
<td>2,467</td>
<td>2,301</td>
<td>286</td>
</tr>
<tr>
<td>E-Docs, Archive</td>
<td>10,625</td>
<td>4,890</td>
<td>1,233</td>
<td>567</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>14,167</td>
<td>3,406</td>
<td>1,644</td>
<td>395</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>122,347</strong></td>
<td><strong>112,159</strong></td>
<td><strong>14,193</strong></td>
<td><strong>13,012</strong></td>
</tr>
</tbody>
</table>

**Overhead/office**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget (NOK)</th>
<th>2016 (NOK)</th>
<th>Budget (USD)</th>
<th>2016 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC, phones, videoconf.</td>
<td>47,083</td>
<td>63,214</td>
<td>5,462</td>
<td>7,333</td>
</tr>
<tr>
<td>Supplies</td>
<td>21,250</td>
<td>1,513</td>
<td>2,465</td>
<td>176</td>
</tr>
<tr>
<td>Print and freight</td>
<td>5,313</td>
<td>1,514</td>
<td>616</td>
<td>176</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>1,063</td>
<td>2,461</td>
<td>123</td>
<td>285</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>7,083</td>
<td>12,096</td>
<td>822</td>
<td>1,403</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>81,792</strong></td>
<td><strong>80,797</strong></td>
<td><strong>9,489</strong></td>
<td><strong>9,373</strong></td>
</tr>
</tbody>
</table>

**General administrative expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget (NOK)</th>
<th>2016 (NOK)</th>
<th>Budget (USD)</th>
<th>2016 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meetings/representation</td>
<td>21,250</td>
<td>12,303</td>
<td>2,465</td>
<td>1,427</td>
</tr>
<tr>
<td>Travel</td>
<td>170,833</td>
<td>193,333</td>
<td>19,818</td>
<td>22,428</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>1,758,228</strong></td>
<td><strong>1,725,272</strong></td>
<td><strong>203,971</strong></td>
<td><strong>200,148</strong></td>
</tr>
</tbody>
</table>

| Results of operations                     | 0            | 32,956     | 0            | 3,823      |
Note 12 - IPS Specification (continued from previous page)

<table>
<thead>
<tr>
<th>IPS</th>
<th>Budget (NOK)</th>
<th>2016 (NOK)</th>
<th>Budget (USD)</th>
<th>2016 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other interest income</td>
<td>0</td>
<td>856</td>
<td>0</td>
<td>99</td>
</tr>
<tr>
<td>Total financial income</td>
<td>0</td>
<td>856</td>
<td>0</td>
<td>99</td>
</tr>
</tbody>
</table>

| Other interest charge | 0 | 0 | 0 | 0 |
| Total financial expenses | 0 | 0 | 0 | 0 |

| Net financial items | 0 | 856 | 99 |
| Operating result | 0 | 33,812 | 3,923 |
| Result of the year | 0 | 33,812 | 3,923 |

(1)

<table>
<thead>
<tr>
<th>Contribution</th>
<th>2016</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOK</td>
<td>USD</td>
</tr>
<tr>
<td>Denmark</td>
<td>879,114</td>
<td>101,985</td>
</tr>
<tr>
<td>Norway</td>
<td>879,114</td>
<td>101,985</td>
</tr>
<tr>
<td>Total Operating Income IPS</td>
<td>1,758,228</td>
<td>203,971</td>
</tr>
</tbody>
</table>

(2)

<table>
<thead>
<tr>
<th>Payroll expenses</th>
<th>2016</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOK</td>
<td>USD</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>1,013,818</td>
<td>117,612</td>
</tr>
<tr>
<td>Employer’s (social security) contribution</td>
<td>58,454</td>
<td>6,781</td>
</tr>
<tr>
<td>Pension costs</td>
<td>14,691</td>
<td>1,704</td>
</tr>
<tr>
<td>Other personnel costs</td>
<td>116,670</td>
<td>13,535</td>
</tr>
<tr>
<td>Total cost of labour:</td>
<td>1,203,633</td>
<td>139,633</td>
</tr>
</tbody>
</table>

Average full time equivalent employees: 2
To the Arctic Council Secretariat

AUDITOR'S REPORT

Report on the financial statements
We have audited the accompanying financial statements of Arctic Council Secretariat, which comprise the balance sheet as at 31 December 2016, the statement of income for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with provisions of the Financial Rules of the Arctic Council Secretariat Section 7, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the financial statements of Arctic Council Secretariat for the year ended December 31, 2016 are prepared, in all material respects, in accordance with the financial reporting provisions of the Financial Rules of the Arctic Council Secretariat Section 7.

Restriction on Distribution and Use

The financial statements are prepared to assist Arctic Council Secretariat to comply with the financial reporting provisions of the Financial Rules of the Arctic Council Secretariat referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Arctic Council and should not be distributed to or used by parties other than Arctic Council.

Tromsø, 23rd February 2017
ERNST & YOUNG AS

Kai Aslør Freseth
State Authorised Public Accountant (Norway)