



Senior Arctic Officials
Permanent Participants
Working Group Chairs
Observers

19 April 2004

At the SAO-meeting in April 2003, the Chairman invited the Permanent Participants to provide the SAOs with information concerning the financing of their participation in the work of the Arctic Council to facilitate discussion among SAOs at their meeting in October. Prior to that meeting, Permanent Participants provided a discussion paper explaining current Permanent Participants' funding arrangements.

At the October meeting, two concrete suggestions were made as regards funding of the participation of Permanent Participants in Arctic Council activities, i.e. the Canadian suggestion to set up a core fund for the indigenous peoples' activities and an older, unattributed suggestion to have all Arctic Council projects dedicate a part of their budget to indigenous peoples' involvement.

On 11 March 2004, the Chair circulated among the SAOs, a draft discussion paper prepared by the Permanent Participants. The paper is based, among other things, on the two suggestions stemming from the Svartsengi-meeting, and elaborates on the proposal to create an Arctic Council Permanent Participant's core fund.

Following the circulation of the draft discussion paper, the Chair received comments and questions from the SAOs as to the proposed core fund, indicating, among other things, that not all member states will be in a position to contribute to a core fund for the Permanent Participants. Those questions and comments were forwarded to the Indigenous Peoples Secretariat.

In the light of difficulties pointed to by some member states with regard to the core fund proposal, the Chair would like to put forth the following suggestions for consideration at the upcoming SAO-meeting. Those suggestions are based on our discussion at the Svartsengi-meeting and on certain aspects of the draft discussion paper prepared by the Permanent Participants. They are not, however, intended as a substitute for the core fund proposal presented by the Permanent Participants.

As a first step, I would suggest that SAOs consider further the proposal to have a part of all Arctic Council projects budgets dedicated to indigenous peoples' involvement. Although this approach would not answer all financial needs, it would mark an advance.

A workable solution would have to be found as to the practical implementation of the approach. One way of doing this would be to decide that a part of all Arctic Council projects budgets shall be dedicated to facilitating the participation of indigenous peoples in the project. Appropriate language could be inserted into the SAO-report to Ministers.

As regards the practical implementation of this approach, it might be advisable to refer the issue to the working groups, normally responsible for setting up project funds in cooperation with the lead country. In any case, SAOs could direct the working groups to always take due account of the decision when setting up project funds.

In addition, SAOs could consider the possibility of committing to further exploring in their respective states, ways and means to better ensure Permanent Participants' representation in the Arctic Council approved projects and decide to continue the dialogue on the issue within the Arctic Council.

Permanent Participants may also wish to explore possibilities for further co-ordination among themselves and making the best possible use of the resources already at hand.

I hope that we can bear those issues in mind as we discuss, under item 7, the financing of Permanent Participants' participation at the Selfoss SAO-meeting.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Gunnar Pálsson', with a long horizontal flourish extending to the right.

Gunnar Pálsson
Chairman of Senior Arctic Officials