

Arctic Council Capacity Building Strategy and Pilot Project

Executive Summary

Objective: To provide a strategic framework for a *capacity building focus* in relation to Arctic Council activities and to propose a pilot project to demonstrate practical applications of this *capacity building focus*.

The proposed Strategy: The Arctic Council is a forum for high-level political dialogue on sustainable development, including its environmental and human dimensions. This strategy attempts to enhance dialogue at the international, national, sub-national and local levels in relation to knowledge generated by the Arctic Council and thereby facilitate Arctic cooperation and appropriate capacity building responses at all levels of society. The strategy will both consolidate existing and develop new knowledge-to-action protocols that are appropriate to the Arctic Council with reference to its various audiences.

An Action Plan: Enhanced dialogue among all stakeholders in the Arctic, including Arctic states, Arctic Council Working Groups, Permanent Participants, Observers, other relevant international and sub-regional fora, and Arctic¹ communities, can contribute to the development of appropriate capacities to meet current and future challenges.

Given the broad scope of the strategy, and the many potential activities that can be carried out in relation to capacity building, it is proposed that a pilot project be undertaken to test some focussed approaches to capacity building and to provide practical information that can assist the Arctic Council, Permanent Participants, Observers and Working Groups in determining their appropriate roles and contributions in relation to capacity building in the Arctic. This pilot project would focus on adaptation issues in Arctic communities associated with knowledge generated from the Arctic Climate Impact Assessment (ACIA) and the 2nd AMAP Assessment projects.

There are two anticipated deliverables:

1. The ACIA and 2nd AMAP Assessment will generate knowledge on important issues

¹Throughout the paper, "Arctic", when applied to residents and communities is defined by national jurisdictions, and usually includes 'northern' and 'sub-Arctic'.

which have potentially serious impacts on Arctic communities. The pilot project will also focus on ways to enhance dialogue with Arctic communities so that knowledge generated by the work of the Arctic Council can be more fully used by the communities themselves. In facilitating the transfer of knowledge, it will build local capacity to adapt to changes associated with climate change and contaminants. The objective will be to assist Arctic communities in developing strategies for using knowledge generated by the Council and for incorporating this knowledge into a community's own decision-making and management processes in ways that improve human and environmental well-being.

2. Enhanced dialogue with Arctic communities on the design and conduct of the research and the development of policy recommendations will be undertaken to help the Arctic Council, Permanent Participants and Working Groups take into account the priorities and needs of Arctic communities. The objective will be to assist the Arctic Council in developing communication processes and strategies and "knowledge-to-action" protocols that can be used in the future work of the Council.

Partnerships The full participation of Permanent Participants and Arctic communities will be especially important in carrying out the pilot project. The active involvement of Observers and other international players including Arctic Parliamentarians and international finance institutions will also be encouraged.

Introduction

The *Barrow Declaration* welcomed the introduction of a capacity building focus to the work and activities of the Council [Appendix 1]. The Sustainable Development Program and other programs of the Arctic Council aim to increase capacity at all levels of society. As recognized in the Sustainable Development Framework Document [Appendix 2] which was also adopted in Barrow, capacity building is a necessary element for achieving sustainable development and must be taken into consideration in the projects developed under the Sustainable Development Program.

Canada, in cooperation with Finland, hosted a two-day workshop in Helsinki in November, 2001 to explore practical ways to implement a *capacity building focus* in relation to Arctic Council activities. The workshop attracted about 70 participants from among the Arctic states, Permanent Participants, Observers and Arctic Council Working Groups. Several Working Group Chairs and SAOs also attended. By the conclusion of the workshop there was broad consensus that capacity building is relevant, if not critical, for the Arctic Council itself and for the Arctic region where the rapid changes of globalization, climate change, and transitional economies require the development and application of new approaches and new solutions.

Senior Arctic Officials, at their meeting in Espoo, Finland in November, 2001 agreed that Canada would prepare, in consultation with Arctic states, Permanent Participants, Observers, and Working Groups, a draft strategy and action plan for consideration at the SAO Meeting in May, 2002.

This document is presented in two parts: PART 1 - an overarching strategy designed to provide a framework for co-operation; and PART 2 - an Action Plan which can evolve in response to specific priorities as they

arise. The implementation of the capacity building strategy will be consistent with the responsibilities, capacities and work plans of the existing Arctic Council working groups. A pilot project is proposed as an initial step in the Action Plan. The pilot project is intended to complement two current projects of the Arctic Council --- the Arctic Climate Impact Assessment and possibly the 2nd AMAP Assessment Report.

Subject to consideration and approval by the SAOs, the proposed strategy and pilot project would be forwarded to the Third Arctic Council Ministerial scheduled for October, 2002 for consideration and approval.

Capacity Building

‘Capacity’ is the organizational and technical abilities that enable an organization or community to mobilize and direct resources to achieve their objectives in accordance with their values. ‘Capacity building’ is the approaches, strategies and methodologies that organizations use to improve their performance in resolving issues and challenges.

In the context of sustainable development, “capacity” is generally recognized as comprising various forms of capital. From this perspective capacity building increases the ability at all levels of society to access and manage these different capital resources to develop sustainably (see Annex C).

In the context of the Arctic Council, a capacity building focus can improve the Council’s ability to achieve its objective of promoting cooperation, coordination, collaboration and interaction among the Arctic States, the Arctic indigenous communities, other Arctic inhabitants on common arctic issues of sustainable development and environmental protection in the Arctic, and potentially in other regions of the world.

Realistically, it will be necessary to implement the capacity building focus called for by Ministers in the *Barrow Declaration* through a series of focussed steps.

PART 1: Overall Strategy

1. Objective

The objective of the **Arctic Council Capacity Building Strategy** is to introduce a capacity building focus to the work and activities of the Council with the aim of increasing capacity at all levels of society.

2. Principles

The following principles and factors should be taken into account:

1. The Council's capabilities, as well as its unique structure and role as a forum for high-level political discussion and a unique model of regional governance.
2. The capacity of the Arctic Council should be developed to contribute to the broader goal of increased capacity building in circumpolar communities and potentially in other regions of the world.
3. Capacity is necessary for achievement of sustainable development and must be taken into consideration in all Arctic Council projects.
4. There is value in co-operating on an international and regional basis to build capacity at all levels of society while taking into account the unique local and regional circumstances.
5. Capacity building requires integration of environmental, social, economic and policy-making facets of development.
6. Education, skill development and cultural heritage are the bases for sustainable development and capacity building in Arctic communities.
7. Capacity building should facilitate the evolution of indigenous culture in a way that enhances cultural integrity and identity. Cultural innovation and adaptability must be founded on cultural robustness and resilience.

3. Identifying Actions

3.1 Identification and Assessment of Capacity Building Needs

The *Arctic Council Capacity Building Workshop* identified numerous capacities that were needed by the Arctic Council and by Arctic communities and stakeholders to increase their ability to work towards sustainable development in the Arctic:

- ☐ Communications: The Arctic Council should promote the expansion of communications

networks at the local and international levels, and also within the Arctic Council itself.

- ∃ Project Guidelines: The Arctic Council should formulate ethical and accountable capacity building specifications for its projects.
- ∃ Indigenous Participation: Permanent Participants should have enhanced participation in all levels of the Arctic Council's work.
- ∃ Leadership: Strong leadership is required at all levels of the Arctic Council to increase relevance and timeliness of Arctic Council interventions; while governance capacity at the local, working group, and international levels needs to be enhanced.
- ∃ Partnerships: By promoting partnerships between communities, between public and private sectors, and between communities and international research organizations, the Arctic Council would empower Arctic communities to have greater control over their own destiny.
- ∃ Human and Environmental Security: The circumpolar world has geopolitical significance as both a source of industrial resources and a sink for pollution often originating from sources outside the Arctic. The Arctic Council should continue its work in building awareness of this fact and in promoting human and environmental health and security.
- ∃ International Networking: The Arctic Council should continue to expand its discussions with groups like international financing institutions, Arctic Parliamentarians, the EU, the WTO, and Leaders' Summits (such as the 'Arctic voice' at the WSSD), and to facilitate understanding between NGOs to eliminate obstacles and seize opportunities for progress toward sustainable development.
- ∃ Learning: Local learning should be facilitated through electronic learning (for example, "Top of the World"); plain language dissemination of research results; the development of practical action guides (e.g. adaptation to climate change, sustainable community economic development guides recognizing globalization); enhancing SAO technical understanding of issues so that they could provide policy direction; finding better ways to utilize local/traditional knowledge along with contemporary science.
- ∃ External project endorsement: The Arctic Council needs to continue promoting relevant capacity building projects and institutions like the University of the Arctic.
- ∃ Access to funding resources: Funding from existing mechanisms, such as foundations and endowments should be sought in order to increase the capacity of the Arctic Council and new funding instruments should be created.

The identification of other capacity building needs and priorities should be ongoing based on an enhanced dialogue among Ministers, SAOs, Working Group Chairs, Permanent Participants, Observers, and other regional and international fora.

The *Arctic Council Capacity Building Workshop* also identified several over-arching practical measures

that would enable the Arctic Council to increase its effectiveness in promoting sustainable development:

- ☐ Use existing capacity by retrieving best practices and available human talent, working with existing structures, and making practical use of existing research and experience;
- ☐ Find practical measures for coordination, building on work already done, and identifying new ways to apply existing knowledge;
- ☐ Recognize that communities want local leadership and control for determining priorities and appropriate responses to changing circumstances;
- ☐ Recognize that capacity building tools are not ends in themselves. Since these tools can be used for different purposes, cultural values are needed to provide guidance in their use.

3.2 Criteria for actions

The Workshop recommended that future capacity building projects and activities should be evaluated on the basis of criteria such as:

- ☐ the importance of the issues to be addressed and the availability of required financial resources;
- ☐ the benefits to be realized, including the relationship of the project or activity to the experience and needs of the indigenous and other residents of the Arctic;
- ☐ the relationship of the project or activity to work within the Arctic Council working groups or other relevant fora;
- ☐ the willingness of an Arctic State, Permanent Participant, working group or other subsidiary body to oversee its implementation.
- ☐ any synergy or duplication with other local, national or international efforts.

4. Scope

Capacity building actions may be undertaken at local, national, regional or global levels and should involve enhanced dialogue and stronger links with relevant international organizations or bodies.

4.1 Local and National Action

In the *Sustainable Development Framework Document* (Barrow, 2000) the Council indicated it will give high priority to those projects and activities that emphasize local leadership and implementation to ensure maximum, long-term benefit to the community and region.

At the national level the Arctic States will encourage and facilitate capacity building actions by Arctic communities, or networks of Arctic communities, thereby promoting sustainable development. Resources to implement capacity building activities within an Arctic State, including those undertaken as part of a co-operative project or activity, will be the responsibility of that state.

4.2 Regional and Global Action

The Arctic States will, whenever possible, advance common positions and interests in international and regional fora to highlight the value and need for capacity building efforts in relation to the Arctic.

The Arctic States, Permanent Participants, the Council's Working Groups and Observers may cooperate in awareness raising, technology transfers, best practices, models for financing, and other activities directed at capacity building.

The Arctic Council may urge other countries, through relevant international bodies (e.g. UNEP, WHO, UNDP) to take the necessary measures to encourage capacity building in relation to activities that have direct impacts on the Arctic.

Cooperation with intergovernmental organizations and financing mechanisms for the funding of practical projects or activities should be sought (e.g. World Bank, UNEP, EU Commission, GEF).

4.3 Participation and Partners

Capacity building projects and activities should be conducted in cooperation with appropriate partners. These include, *inter alia*, international organizations and financial institutions, Permanent Participants, Observers, and local and regional bodies (including the private sector and non-governmental organizations).

Local participation in the identification of needs and priorities, and transparency and involvement in the design and implementation of projects and activities are key factors for public and political acceptance. Involvement of communities is essential to achievement of the overall capacity building objectives.

4.4 The Action plan and Functions

Annex A to the Action Plan comprises a table of possible cooperative activities for initiating a capacity building focus for the Arctic Council. The activities outlined in this table are directed primarily at the need for enhanced dialogue to build a foundation for other capacity building projects. Annex A would be amended as additional activities are identified and approved by Ministers.

5. Reporting and Reviewing

The SDWG, after consultation with other Working Group Chairs, Permanent Participants and Observers, will report to the SAOs on the implementation and effectiveness of the Arctic Council Capacity Building Strategy. The strategy will be reviewed and revised as needed.

It should be noted that the SDWG has no permanent secretariat. Whereas most environmental working groups (AMAP, CAFF, PAME) have the ongoing capacity to manage their work plans and to report on their progress toward a more healthy, robust and resilient environment, the SDWG does not have the same facility to manage its work and progress towards improving human and environmental well-being through integrated environmental, economic, social and cultural sustainable development. Consideration should be given to establishing a permanent SDWG secretariat as one element of the strategy to increase the capacity of the Arctic Council in aspects of sustainable development.

PART 2: Action Plan

1. Introduction

Enhanced, results-oriented dialogue is a fundamental building block for identifying and assessing capacity building needs and is an essential element of a framework to build capacity

- ∃ within the Arctic Council and its working groups,
- ∃ between the Arctic Council and other relevant fora, and
- ∃ between the Arctic Council and various Arctic stakeholders in Arctic communities.

The Action Plan will evolve over time. To demonstrate ways that the proposed Arctic Council Capacity Building Strategy can lead to practical results, a pilot project proposal has been included below as a first step.

2. Pilot Project: Adaption Strategies in relation to Arctic Climate Change and Arctic Contaminants

Canada proposes this pilot project as a complement to the work of the Arctic Climate Impact Assessment (ACIA) and the second AMAP assessment, scheduled for completion in late 2004 and 2002 respectively. The goal of the project is, through enhanced dialogue, to develop the Arctic Council's capacity to generate relevant knowledge and increase the capacity of communities to use it.

Specifically, the pilot project would focus on increasing human and community *resilience* by increasing the capacity of Arctic residents and communities to adapt to impacts associated with climate change and environmental contaminants. An anticipated outcome is that the Arctic Council, in particular through the involvement of the Permanent Participants, will develop more stream-lined methods for research, monitoring, communication, decision-making and project implementation to ensure that information and knowledge generated by Council activities can result in effective action at the local and regional levels. In addition, the pilot project will attempt to find mechanisms for enhanced dialogue between other Arctic stakeholders and the Council to increase synergy toward mutually beneficial outcomes on common issues.

3. Background

The ACIA project will identify environmental and socio-economic impacts of at least one climate change model in the context of several global development scenarios. The policy recommendations may be based on the following conceptualization:

VULNERABILITY equals IMPACTS OF CHANGE minus CAPACITY TO ADAPT

In other words, the greater the capacity to adapt to the impacts of change, the less vulnerable a population will be.

The 2nd AMAP Assessment will identify trends in environmental pollutants and their potential impacts on the health of the human and non-human arctic environment. Even with immediate steps to mitigate climate change and arctic pollution, the impacts of climate change in the mid-term (50 years) are probably

irreversible, and biomagnification of pollutants will also take time to work its way through the eco-system.

Therefore, as mitigation activities are being implemented, the key to increasing human and community *resilience* is to increase the *capacity to adapt*. This pilot project will recommend ways to increase the *capacity to adapt* to both climate change and arctic contamination, and ways that the Arctic Council can best facilitate this *capacity to adapt* both locally and internationally. For purposes of the pilot project the following formula is proposed as a framework for analysis:

RESILIENCE equals CAPACITY TO ADAPT minus IMPACT OF CHANGE

The goal is to make sure that *resilience* is maintained or increased by decreasing the *impacts of change* and especially by increasing the *capacity to adapt*.

Associating a capacity building pilot project with these two existing Arctic Council projects has several advantages:

- ☐ Both the ACIA and AMAP projects already have broad support within the Arctic Council. The ACIA project is funded to a significant extent by the USA, and is managed jointly by AMAP, CAFF and IASC with indigenous participation on the steering committee. The second AMAP Assessment is broadly funded, and is building on the international recognition of the first 1997 report.
- ☐ ACIA has its secretariat in Alaska. The AMAP secretariat is hosted by Norway. Key secretariats located in both northern Europe and North America enhances circumpolar interest in the project.
- ☐ The schedule for completion of the ACIA and AMAP scientific work provides an opportunity for this pilot project to look at how to incorporate capacity building activities in in new or on-going projects, and how to use the knowledge generated in completed reports.
- ☐ The different time frames of anticipated contaminant and climate change impacts forces an examination of both short-term and long-term adaptive capacity building.

4. Project Outline

The entire project would be developed in concert with two or more pilot communities of various scales and circumstances. The project would address:

- ☐ the working relationship between scientific research (IASC) and traditional knowledge (Permanent Participants);
- ☐ the communication networks between Arctic Council working groups, the Permanent Participants, and the local and international audiences;
- ☐ the decision-making processes at all levels that convert knowledge into environmental, economic and social policy recommendations (AMAP/CAFF);
- ☐ how to assess the existing capacity to adapt;
- ☐ an assessment of needed adaptation capacities, existing strengths and weaknesses, and strategies to

address gaps; and

- ☐ recommendations on further mechanisms and strategies to build local and regional adaptive capacities and the communication tools needed within the Arctic Council to improve the translation of knowledge into action.

5. Project Specifications

The detailed specifications and funding of the project proposal will be completed prior to the October 2002 SAO meeting, after consultation with SAOs, Working Group Chairs, Permanent Participants, Observers and other Stakeholders.

6. Linkages to other Council Activities

This capacity building project has linkages to the Arctic Human Development Report (AHDR - Iceland leads the proposal development) and to the initiative on The Future of Children and Youth of the Arctic. By definition, building capacity to adapt to climate change involves children and youth. The AHDR can provide key baseline data on adaptive capacity. Both the ACIA and AMAP projects provide issues that can focus capacity building around existing projects on health, networking and internship. Other linkages will be identified [see Annex 3].

7. Outcomes

This pilot project will develop and document the basic tools and processes required to implement capacity building in any Arctic Council activity or project. The deliverables would be:

- ☐ a literature review on adaptive capacity;
- ☐ protocols for converting knowledge into action;
- ☐ science-to-policy protocols describing how knowledge can inform policy development;
- ☐ adaptation guides and an information network that suggest how communities can develop the capacity to adapt to challenges arising from the impacts of climate change and contaminants.

The project will help to design processes and mechanisms to aid communication and create awareness of the Arctic Council and its activities. It is anticipated that this project will also build capacity within the Arctic Council to act as a forum for the collection and dissemination of information and to promote the conversion of knowledge into action. [See Diagram in Annex B]

ANNEX A to Action Plan

Objective	Some Possible Actions
The Arctic Council is recognized as a forum with a capacity building focus	<ul style="list-style-type: none"> ∃ Promote this focus (e.g. The “Arctic Voice in the WSSD”).
All working groups use coordinated communication mechanisms and approaches as a capacity building tool	<ul style="list-style-type: none"> ∃ Working Groups develop guidelines for coordinated communication strategies, mechanisms and approaches. ∃ For an application of this element in relation to climate change and environmental contaminants see the Pilot Project Proposal in Part 2 of this paper. <i>Co-ordinated communication mechanisms and approaches are not well explained in Part 2.</i>
The Arctic Council facilitates dialogue and information dissemination on capacity building among other Arctic stakeholders (local, national, international)	<ul style="list-style-type: none"> ∃ Develop overarching Arctic Council guidelines for coordinated communication mechanisms and approaches
There is effective dialogue between the Arctic Council other local, national, and international players on specific Arctic issues	<ul style="list-style-type: none"> ∃ Develop “feedback loops” and informal networks to encourage dialogue with other Arctic stakeholders (local, national, international) on Arctic Council activities
There is a focussed role for Permanent Participants in the “knowledge to action” approach to capacity building	<ul style="list-style-type: none"> ∃ Facilitate a focussed role for Permanent Participants in Arctic Council communications ∃ Permanent Participants develop guidelines and communication strategies for information dissemination and dialogue on Arctic Council activities at the local or community level ∃ All working groups adopt guidelines for the role of Permanent Participants in the design and implementation of capacity building in their projects
Observer and NGO capacities are more fully engaged	<ul style="list-style-type: none"> ∃ In consultation with Observers & NGOs develop communication strategies, mechanisms and approaches for information dissemination and dialogue on Arctic Council activities with other external fora and organizations
Strategic alliances for operationalizing a knowledge-to-action approach to capacity building are functioning.	<ul style="list-style-type: none"> ∃ In cooperation with the University of the Arctic, etc. agree on a role for them in information dissemination and dialogue on Arctic Council activities, with particular attention to capacity

Objective	Some Possible Actions
	building at the human and institutional levels
The Arctic Council has effective communication and consultation protocols for its research and policy development processes.	<ul style="list-style-type: none"> ∃ For an application of this element in relation to climate change and environmental contaminants see the Pilot Project Proposal in Part 2 of this paper.
Working Group research and activities are integrated and targeted at issues where there is a high potential for practical capacity building results.	<ul style="list-style-type: none"> ∃ Formalize a multi-chair responsibility for planning and implementing a “knowledge to action” approach in all projects and activities ∃ Coordinate funding strategies with international financial institutions ∃ Explore the application of the AMAP foundation model to the funding of other working groups
Research informs public policy development at SAO/Ministerial meetings in an efficient and transparent way.	<ul style="list-style-type: none"> ∃ Consider more occasions where the SAOs meet with the Working Group Chairs in formal or informal policy discussions based on their research; or consider restructuring SAO meetings to better facilitate “dialogue” rather than “reporting”. ∃ Consider options for new approaches within the Arctic Council to setting priorities for research and policy follow-ups.
Applications for financial support for capacity building from international funding institutions are coordinated and effectively leveraged.	<ul style="list-style-type: none"> ∃ Identify funding organizations that are interested in Arctic Council Activities and improve coordinated on-going dialogue about funding opportunities for capacity building.
Strategic alliances with bodies and organizations that share the Arctic Council’s capacity building objectives contribute “operational capacity” where possible and appropriate.	<ul style="list-style-type: none"> ∃ Arctic Parliamentarians, University of the Arctic, IASC, IAASA, UNEP, GLOBE, WHO etc.

Note: It is proposed that the pilot project proposed in Part 2 of this paper will be a first step in achieving all objectives.

ANNEX B to Action Plan

ANNEX C to Action Plan

Representative Capacity Building Activities in the Arctic Council

Access to and management of various capital resources to achieve sustainable development objectives is a key capacity. There are already a number of Arctic Council activities which have a capacity building component and invest in the development and sustainable management of capital resources.

- ☐ **Natural capital:** Natural capital includes renewable, non-renewable, and replenishable resources, including ecological systems. Building natural capital in the circumpolar north involves stewardship of natural habitats and efforts to maintain or increase biodiversity, ecological robustness and resilience.

The activities under the Arctic Council's Arctic Monitoring and Assessment Program (AMAP) have produced ground-breaking work related to contaminants monitoring and assessment. The AMAP Working Group submitted its first assessment "*of anthropogenic pollutants in all relevant components of the Arctic environment*" at the Ministerial conference of *Arctic Environmental Protection Strategy* (AEPS) in June, 1997, and also at the first Arctic Council Ministerial meeting in Iqaluit, Canada in September, 1998. The next major AMAP assessment report, anticipated by October, 2002, will consist of a series of reports on individual topics (ie. persistent organic pollutants - POPs, Heavy Metals, Radionuclides, Human Health). This AMAP research has contributed significantly to an understanding of the Arctic's role in global processes and has supported the need for international responses such as the LRTAP Convention Protocols on POPs and Heavy Metals and the Stockholm 2001 Convention on POPs.

The Arctic Council's program for Conservation of Arctic Flora and Fauna (CAFF) includes an ongoing network relating to establishment and maintenance of protected areas in the Arctic. The CAFF Working Group released a report on the status and trends in changes to ecosystems, habitats and species in the circumpolar Arctic in June 2001. It identified the overarching threats to Arctic species and suggested remedial steps. Recommendations flowing from this report are to be presented to the Arctic Council biennial Ministerial meeting scheduled for October, 2002.

- ☐ **Human capital:** Human capital includes value-adding education, and the skills training and experience endowed in individuals and groups. Building human capital in the circumpolar north is focussed on literacy, health, preparing children and youth for empowered participation and leadership in their communities, and institution building. Some examples of Arctic Council work in this regard include: the networking dimension under the initiative for the Future of the Children and Youth of the Arctic; and a project coordinated by the CAFF Working Group, with the support of the Global Environmental Facility which promotes biodiversity conservation in the Russian Arctic and involves developing a number of model approaches to integrated resource management/co-management and sustainable development. The full participation of indigenous peoples, local communities and all other interested parties is being encouraged. The Arctic Council encouraged, throughout all stages of its development, the initiative which led to the launch of the University of the Arctic ("a university without walls") in June, 2001.
- ☐ **Social capital:** Social capital refers to 'communities' in the broadest sense, and includes effective processes and structures of organizations and institutions, for facilitating productivity, innovation and resilience in the face of change. Building social capital in the circumpolar north includes establishment of resource (co-)management regimes, legal structures related to pollution (POPs Convention), and so on. The Arctic Council, as an organization, is a new component of social capital. Its programs and activities

increase the capacity of circumpolar individuals, organizations and institutions to work towards sustainable development and environmental protection. In addition, the Arctic Council and its working groups have contributed to the development of human and social capital in the Arctic by endorsing the involvement of the Permanent Participants and Observers in its work.

- ∃ **Human-made capital:** Human-made capital includes equipment, machinery and technological infrastructure used to create goods and provide services. Currently, building ‘manufactured capital’ is focussed on energy and material efficiency, especially as it relates to energy and mineral production, transportation, information technology, and so on.

The Arctic Council’s programs for *Protection of the Arctic Marine Environment* (PAME) and *Emergency Preparedness, Prevention and Response* (EPPR) address a wide range of issues in this regard. The PAME Working Group developed *Offshore Oil and Gas Guidelines* (1997) and has been promoting their application in Arctic seas and is now underway to evaluate their effectiveness and objectives with a view to recommending possible amendments in 2002. A Regional Programme of Action has been adopted by the Council. The EPPR Working Group is currently mapping resources at risk from oil spills in the Arctic, as well as writing a *Shoreline Cleanup Assessment Team Manual* for the Beaufort Sea area.

- ∃ **Financial capital:** Financial capital includes monetary instruments to transfer value. Building financial capital in the circumpolar north is focussed on both profitable investment and the more equitable access to venture capital by small and medium-sized enterprises. Through the work of the PAME Working Group, the Arctic Council has developed *the Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities* and has supported the development of the Russian National Programme of Action -- Arctic (NPA-Arctic). A “partnership” conference is planned in Russia to attract private sector investment that can contribute to the objectives of sustainable development in Arctic Russia.

Realistically, it will be necessary to implement the capacity building focus called for by the Ministers in the *Barrow Declaration* through a series of focussed steps that take into account these various forms of capital. To that end, and heeding the advice at the *Capacity Building Workshop*, a draft strategy has been prepared for discussion.