1. **Follow up since Barrow Ministerial Meeting**

The Ministerial meeting in Barrow (October 2000) endorsed the Arctic Council Action Plan against Pollution (ACAP) and approved an Interim Steering Committee of the ACAP. A start up meeting was held in Oslo 2-3 April 2001, the second meeting in Espoo 5 November 2001 and the third meeting in Oulu 14 May 2002.

All the Arctic countries, PAME and AMAP attended the 3rd meeting and we also welcomed the distinguished representatives from the IPS, the Northern Forum Academy, the Netherlands, the Norilsk Nickel Mining and Metallurgical Kombinat, The Russian Norwegian Centre for Cleaner Production in Moscow, the Nordic Environmental Finance Corporation (NEFCO) and UNEP-Chemicals.

2. **Project reports**

2.1 *Fact Sheets on POP’s, Heavy metals and Radioactivity*

The project was completed in June 2001 under the co-ordination of the AMAP-secretariat. The fact sheets have been very popular and after the first print of 1000 copies they have now been reprinted in another 1000 copies which are nearly all gone. The fact sheets have now been translated into Russian and are now under lay out and printing in St Petersburg. A Saami version is under translation. Instead of a new reprint of the fact sheets the ACAP Interim Steering Committee recommends to review them in order to meet the general public needs. In the meantime we urge the Arctic countries and the Chair to spread more information on where to find the fact sheets on the Internet.

2.2 *The project on phase out of PCB use and management of PCB-contaminated wastes in the Russian Federation* is also co-ordinated by the AMAP-secretariat. The project is well into Phase II that has been proposed to provide the foundation for further work to investment stages of the project.

The elements in Phase 2 are as follows:

1. Assessment of relevant regulations and requirements.
2. Design of PCB collection and storage schemes.
3. Preparation of a “least cost” overall Russian PCB phase-out strategy.
4. Selection of alternatives for replacement of PCB, with acceptable environmental characteristics and feasible production.
5. Construction/retrofit of a prototype facility for production of alternative fluids.
6. Construction/retrofit of a prototype facility for use of non-PCB alternative compounds in major PCB use sector.
7. Selection/development of environmentally sound technologies for destruction of PCB-containing fluids.
8. Selection/development of environmentally sound technologies for destruction/decontamination of PCB-contaminated containers, equipment and their sub-components.
9. Selection/development of standard/innovative technologies for rehabilitation of PCB-contaminated areas.

Phase 2 activities will be reported in draft prior to the 3rd Ministerial Meeting of the Arctic Council.

The investment phase 3 of the PCB-project is a challenge. It is difficult to find the necessary owners of the different PCB waste problems to participate in the project, and to establish the necessary governmental or regional framework to encourage industry to solve their problems.

Russian Government signature of the Stockholm Convention would offer access to GEF funds that could help in defining a national strategy for POPs control and which could create the necessary framework for Russian industry to join the project. It could also make it easier to attract the interest of other IFIs.

The ACAP Interim Steering Committee welcomes the offer by NEFCO to assist in the work with financial preparation of the Phase 3 PCB-project and co-ordination with their own Fast-Track PCB waste disposal project in Northwest Russia.

2.3 The project on Evaluation of Dioxins and Furans in the Russian Federation is co-ordinated by Sweden. The Project is incorporating a Russian/United States bilateral project on Dioxin and Furans. A fact-sheet on dioxins in Russia has been developed and been distributed countrywide. In addition, an outreach campaign will be organised which will include inter-ministerial hearings for the public and NGOs, visits and presentations in certain regions.

Russian translation of the UNEP Standardised Toolkit for Identification and Quantification of Dioxin/Furan Releases is being prepared. These two activities are co-ordinated by UNEP-Chemicals. A kick-off meeting for the ACAP project was held in Moscow in March 2002. A project plan has been settled and the first phase of the project – identification of sources, has started. Sweden and USA are financing the project. The ACAP Interim Steering Committee invites other countries to contribute financially or in kind with experts to the Project and its Steering Group.

2.4 The project for Reduction of atmospheric mercury releases from the Arctic states will be initiated before July 1st 2002 and is co-ordinated by Denmark. Denmark, USA, Canada and Norway are contributing with funds to the project implementation. The Project delay was due to late financial adoption of the Danish Financial Bill for 2002. Terms of reference and a full project description have been developed including organisational set-up and implementation plan. Phase I will be an inventory of mercury releases from all the Arctic countries. The project will be completed before the end of 2003.

2.5 The project on environmentally sound management of stocks of obsolete pesticides in the Russian Federation is co-ordinated by USA in close co-operation with UNEP Chemicals as a secretariat for the project. Selection criteria for identification of priority regions have been
developed. The following priority regions have been selected: All eight Arctic regions plus 3 sub-arctic regions (Altai Territory (Krai), Kurgan and Omsk regions). Compiling of the inventory will start in May 2002. The funds available might not be sufficient and more funds are needed to include the rest of the important 9 sub-regions emitting pollution to the Arctic from poorly managed stocks. The project Steering Group has decided to include all types of obsolete pesticides that have been used in the Arctic, including pesticides used for animal husbandry, forestry management, insect control, rodent control, pesticides used by the military, oil industry, etc.

USA, Canada, Finland, Sweden and Norway contribute with funds to the project and Denmark has announced that they will participate in the project and finance work in two or three priority regions: Pskov, Volgoda and/or Smolensk.

2.6 Implementation of the Cleaner Production, Eco Efficiency and Environmental Management systems in the Norilsk Mining Kombinat in the City of Norilsk is co-ordinated by the Russian Norwegian Cleaner Production Centre in Moscow. After an initiative from ACAP the Norilsk Nikel adopted the project which started in January 2002 with the first training programme for part of the management and some of the leading engineers. The Project Steering Group was established 13th of May at a meeting in Oulu. Visits to possible project sites by the training participant have been fulfilled and they are now being trained in financial engineering. The goal for the first programme is that the participants will present their project proposals by the end of June. These project proposals will be competed in September and the most environmentally and economically profitable projects will be selected by the Norilsk Nikel management for implementation. A new training programme will start in the autumn.

3. Annex B projects
Guidelines for performing Environmental Impact Assessments (EIA) of handling and storage of radioactive waste in Russia (Co-ordinator: Norway)
Guidelines for performing EIA Phase II of the project have started with the funding of one million NKR from the Norwegian Ministry for Foreign Affairs. The project involves completion of an Action Plan for industrial nuclear matters with the goal of creating more predictability and transparency to prevent halts in process of approval by ensuring a dialogue between enterprises an the responsible authorities.
The ACAP Committee asked Norway to clarify whether the project will be co-ordinated with the other ongoing projects on radioactive waste management in Murmansk (Lepse) and Andrejeva Bay, and how these projects can benefit from the proposed ACAP project.

4. Co-operation with UNEP Chemicals
To meet the need of co-ordination and co-operation with UNEP Chemicals, the ACAP Chair at the last SAO meeting asked the Arctic Council Chair for guidance regarding the possibility of signing a Memorandum of Understanding or a Letter of Agreement with UNEP Chemicals. After being advised by the Arctic Council Chair, the ACAP Interim Steering Committee discussed this at their third meeting in Oulu. The Steering Committee is in favour of a Letter of Agreement, and recommends in general that the ACAP Chair should sign such a LoA. The condition is that the Letter clearly states that it is legally not binding and that the draft is corrected according to advice from the Committee.
The Letter will highlight bilateral co-operation between ACAP and the UNEP Chemicals and will note inter alia UNEP Chemicals participation and support to: the PCB, Dioxin/Furan, Mercury and Obsolete Pesticide projects, and their role as the secretariat in the Obsolete Pesticide project. As mentioned earlier UNEP Chemicals will cover their own expenses and has also provided 43.500 US$ to the PCB project.

5. Financial issues

5.1 The financial status of the projects.
The financial situation for the adopted projects is currently satisfactory, but we need more financing at the end of the year to be able to reach the desired results. The PCB project Phase II is now fully financed, however it is unlikely that Phase III could be undertaken without additional financing.

The Netherlands announced that they have newly adopted an Arctic programme. Netherlands intends to support different Arctic science and Arctic Council projects including AMAP, CAFF and ACAP projects.

The ACAP Chair will include an updated overview of the financial status of the different projects as an attachment to the papers the Arctic Chair is asking for, by the 17th of June.

5.2 Funding of investment projects
A successful meeting with the Nordic Environmental Finance Corporation (NEFCO) and correspondence with the Project Preparatory Committee (PPC) was the background for a discussion in the Steering Committee on how to involve the IFIs in the financing of Arctic Council projects. A chairman draft paper was discussed by the Steering Committee and they agreed to a process with the aim to present recommendations to the SAOs on how to cooperate with the International Finance Institutions. The process is planned to be completed by 17th of June. The recommendation the Steering Committee is considering is:

• that the SAOs prioritise projects that the Arctic countries have an intention to support financially through the investment phase.
• that Arctic Council should try to co-ordinate their project process with IFI project processes in order to facilitate a future financial co-operation or hand off to the international financial organisations.
• to work with an IFI (PPC) officer which can assist in seeking financial assistance to investment projects and bridge the gap between the Arctic Council initiatives and IFI project pipeline.
• to invite IFIs as observers to the Arctic Council, especially NEFCO which may serve as a vehicle for Arctic projects towards other international IFIs

6. Future activities
Different ideas have been presented, but so far without a final conclusion. One goal for several of the ACAP projects could be to co-operate with an IFI officer in order not to lose much momentum when approaching the pilot or demonstration phase of the projects. The Steering Committee has discussed options on how to merge the project processes and ask for feedback from the SAOs before they can prepare a proposal. The Steering Committee looks forward to the update of the State of the Arctic Environment Report and intends to incorporate its recommendations in future ACAP project planning discussions.

The US. expressed its interest in cooperation with the Northern Forum in mobilising regional/local stakeholder support for ACAP projects in Russia.